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[SOUTH CHINA MORNING POST 29 Nov]

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# XINHUA REPORTS NEW U.S.-USSR ARMS SESSION

OWO21835 Beijing XINHUA in English 1634 GMT 2 Dec 86

[Text] Geneva, December 2 (XINHUA) -- The United States and the Soviet Union today opened a four-day special session on space and nuclear arms in preparation for their seventh round of Geneva arms talks, scheduled to begin January 15.

Officials on the two teams, headed by U.S. chief arms negotiator Max M. Kampelman and his Soviet counterpart, Victor Karpov, said that meetings have been arranged for separate negotiating groups on space systems, strategic long-range nuclear weapons and intermediate medium-range missiles.

The talks are reportedly aimed at an initial reduction of 30 to 50 percent in strategic weapons and removal of all medium-range missiles from Europe.

Kampelman said on arrival from Washington that the special session was aimed at achieving "a great understanding" on where the two sides stand following October's Reykjavik summit.

However, Karpov charged that the United States was trying to "cancel out what was obtained at the Reykjavik" summit by Soviet leader Mikhail Gorbachev and U.S. President Ronald Reagan.

The two sides have remained at loggerheads over the outcome of the sixth round of Geneva talks, which began September 18 and ended November 12. The U.S. side claimed that the talks had been "useful and productive" while the Soviets thought it fruitless.

The Soviet Union has criticized the U.S. for breaking SALT-II strategic arms limits by deployment last week of a 131st B-52 bomber armed with Cruise missiles. Gorbachev called the B-52 bomber decision "a major mistake" which would cast a negative influence on the arms talks.

Nevertheless, the U.S. side maintained that the arms talks will proceed as before, despite the abandonment of SALT-II. Kampelman also ruled out any impact on the Geneva talks of the controversy over the sales of U.S. arms to Iran.

# PRC FOREIGN MINISTER HOLDS PRESS BRIEFING

On Gorbachev Speech, Bombers

OWO31246 Beijing XINHUA in English 1239 GMT 3 Dec 86

[Text] Beijing, December 3 (XINHUA) -- A Chinese Foreign Ministry spokesman said here today that as a close neighbour of South Asia, China sincerely hopes that this region will have peace, stability and development.

The spokesman made this remark at a weekly press briefing while answering a reporter's question about Soviet leader Gorbachev's recent speech in India on Asian security.

"What are needed are practical actions to eliminate 'hot spots' in the region to maintain Asian peace and security," the spokesman added.

On Gorbachev's talk of the demilitarization of the Indian Ocean, the spokesman said that concrete actions should be taken at present to reduce military presence of the United States and the Soviet Union as well as their rivalry in this region so as to remove the threat to peace and security in this region.

With regard to the U.S. Governments' decision to deploy the 131st strategic bomber, the spokesman said "we oppose any actions that might lead to the escalation of the arms race."

As for the U.S. deployment of "Lance" missiles in South Korea, he said "we hope that all parties concerned with the Korea issue will not do anything unfavorable to the relaxation of tension and stability in the Korean peninsula."

Asked whether a Chinese vice-minister of foreign affairs will visit Laos soon, the spokesman said that the visit is still under discussion and that China holds a positive attitude towards the improvement of its relations with Laos.

# Taiwan Dissident Opposed

OW031239 Tokyo KYODO in English 1157 GMT 3 Dec 86

[Text] Beijing, Dec. 3 (KYODO) -- China said Wednesday it does not support Taiwanese dissident leader Hsu Hsin-liang, who was barred from Taiwan Tuesday when he arrived in Taipei after seven years of self-imposed exile on the United States.

Ma Yuzhen, spokesman of the Foreign Ministry, said: "China will strongly oppose any move which helps lead to the independence and self-determination of Taiwan."

It is China's first official comment on the current situation in Taiwan surrounding Hsu's attempt to return home.

Ma's remarks reflect China's harsh stance toward Taipei, indicating that Beijing will not back any organization supporting Taiwanese independence even if they oppose the ruling Kuomintang (Nationalist Party).

Analysts here also see Ma's statement as showing that China prefers the Nationalist Party to any democratic organizations, including the newly formed opposition Democratic Progressive Party in Taiwan.

Ma also said: "Hsu is said to have expressed in Japan his belief in the Taiwanese independence. However, the current move seeking the unification of Mainland China and Taiwan through peaceful means is an indispensable political trend supported by the public."

In this context, Ma stressed that China will support any move by political parties, organizations and individuals who work for the unification of China.

Ma's remarks were also interpreted as indicating that China aims to step up negotiations on the unification with the Kuomintang through peaceful means.

#### Central America Viewed

OWO31222 Beijing XINHUA in English 1213 GMT 3 Dec 86

[Text] Beijing, December 3 (XINHUA) -- A Foreign Ministry spokesman said here today China is very concerned with the situation in Central America, adding that the sovereignty, independence and territorial integrity of all Central American countries should be respected.

In response to reporters' questions at a weekly news briefing, the spokesman said the Central American issue should be solved by the people of these countries themselves without any outside interference. The questions among the countries in Central America should be settled peacefully through negotiations on the basis of equality instead of resorting to force.

"We hope that the parties concerned actively respond and support the efforts by the Contadora Group to maintain the peace and security in Central America," the spokesman said.

#### Mexican President's Itinerary

OWO31218 Beijing XINHUA in English 1210 GMT 3 Dec 86

[Text] Beijing, December 3 (XINHUA) -- Mexican President Miguel de la Madrid will meet senior Chinese party, state and government leaders during his week-long state visit to China, beginning tomorrow. A Chinese Foreign Ministry spokesman made this announcement at a weekly press briefing here this afternoon.

During the Mexican president's stay in Beijing, the spokesman said, Chinese Premier Zhao Ziyang will confer with him while General Secretary Hu Yaobang and Chairman Deng Xiaoping will meet him respectively.

The Mexican president will also make a public speech at Beijing University and visit the Palace Museum, the Great Wall and Ming Ling, one of the Ming tombs, he added.

Moreover, the Mexican president will visit the museum displaying terracotta warriors and horses in Xian on December 7.

During the Mexican president's stay in Shanghai on December 8 and 9, Chinese President Li Xiannian will meet him and host a dinner in his honor, and he will also visit the Baoshan Steel Complex, the spokesman added.

While in Guangzhou on December 9 and 10, the Mexican president will visit the memorial hall of Dr. Sun Yat-sen and other places of historical interest, the spokesman said.

#### Czechoslovak Minister To Visit

OW031200 Beijing XINHUA in English 1152 GMT 3 Dec 86

[Text] Beijing, December 3 (XINHUA) -- Czechoslovak Foreign Minister Bohuslav Chnoupek will pay an official goodwill visit to China from December 12 to 17.

This was announced by a spokesman for the Chinese Foreign Ministry at a weekly press briefing here this afternoon.

The Czechoslovak foreign minister will be guest of Wu Xueqian, Chinese state councillor and minister of foreign affairs, the spokesman added.

#### PRC TO ATTEND INTERNATIONAL INDUSTRIAL MEETING

OW291937 Beijing XINHUA in English 1544 GMT 29 Nov 86

[Text] Islamabad, November 29 (XINHUA) -- The first meeting of national coordinators on industrial tracer applications is to open in Lahore on December first, according to official sources here today.

Participating in the meeting will be delegates from Australia, Britain, Thailand, China, India, Malaysia, the Philippines, Sri Lanka, Nepal, Bangladesh, Indonesia, Pakistan and South Korea.

The sources said that the meeting will review the state of the art in industrial tracer applications, its position in various countries or areas and recommend ways and means to further develop the tracer applications.

# XINHUA REPORTS NEW U.S. SECURITY ADVISER NAMING

OWO30854 Beijing XINHUA in English 0643 GMT 3 Dec 86

[Text] Washington, December 2 (XINHUA) -- President Ronald Reagan today named former CIA Deputy Director Frank Carlucci as his new national security adviser, and asked for an independent counsel to investigate the U.S.-Iran-Nicaragua arms deal.

Carlucci, Reagan's fifth national security adviser in less than six years, replaced his predecessor John Poindexter, who resigned last Wednesday as a result of the secret U.S. arms sales to Iran and the diversion of millions of dollars to Nicaraguan contra rebels.

In his nationally-televised speech from the Oval Office, Reagan said he had directed Attorney General Edwin Meese to appoint an independent counsel to help investigate the arms deal.

Mounting doubts have been expressed by congressional leaders and the press as to whether the Department of Justice, headed by Attorney General Meese, one of President Reagan's old friends, could carry out an objective and thorough investigation.

Reagan said Meese told him that there were "resonable grounds" to seek an independent counsel to pursue the investigation.

"If illegal acts were undertaken, those who did so will be brought to justice," Reagan said. "If actions in implementing my policy were undertaken without my authorization, knowledge or concurrence, this will be exposed and appropriate corrective steps implemented."

"With the appointment of an independent counsel, we will have in place a dual system for assuring a thorough review of all aspects of this matter," he said.

Reagan last week appointed a three-member special review board to investigate the operations of the National Security Council, which played a major role in the secret arms deal.

If the investigative processes are working, Reagan said, "all the facts concerning Iran and the transfer of funds to assist the anti-Sandinista forces will shortly be made public."

Attorney General Meese held a news conference in the Justice Department following Reagan's announcements, saying there is "statutory basis" to ask a three-judge federal court to appoint an independent counsel.

"We are proceeding to make that application," he said, adding the move "is consistent with the Prosident's desire to ensure public confidence that all facts in this case be ascertained and acted upon appropriately."

President Reagan also said he was urging Congress "to consider some mechanism that will consolidate its inquiries," and pledged his full cooperation with the Congress.

While both the Republican and Democratic congressional leaders welcomed the new steps Reagan announced today, several congressional committees suspicious of the adminsitration's own investigation have been calling for an independent look at the arms scandal.

The Senate Intelligence Committee conducted a second day of closed-door hearings today as former National Security Adviser Poindexter testified before the panel.

# HU YACSANG MEETS ARMAND HAMMER, COMMENTS

OWO31104 Beijing XINHUA in English 1052 GMT 3 Dec 86

[Text] Beijing, December 3 (XINHUA) -- Chinese Communist Party General Secretary Hu Yaobang reiterated here today that China welcomes foreign entrepreneurs and bankers to come to invest and cooperate with it and that his country is trustworthy.

At a meeting with Dr. Armand Hammer, chairman of the board of the American Occidental Petroleum Corporation, Hu said that China has achieved sustained economic growth in the past eight years, which was the longest and most fruitful period for development since the founding of New China in 1949. He attributed the reason mainly to China's correct policy of conducting domestic reforms and of opening to the outside world and to its independent peaceful foreign policy. "Such policies will be persevered," he added.

Hammer told Hu that yesterday he had been to Shanxi Province's Pingshuo Open-Cut Coal Mine, the largest Sino-foreign co-production project in the coal industry, and that its construction was going smoothly. "Some people doubted about this cooperative project," he said. "But it now seems that they had underestimated it."

Hu noted that the success of this project, which is China's key energy development project during its Seventh Five-Year (1986-1990) Plan period, cannot be separated from Dr. Hammer's efforts, adding that "this shows that Dr. Hammer is far-sighted."

Hammer said that he confides in Chinese leaders. "China's policy is correct," he acknowledged.

Hammer is here to attend a signing ceremony of a loan agreement for the Pingshuo coal mining project.

## YAO YILIN MEETS VISITORS FROM THE UNITED STATES

OW271421 Beijing XINHUA in English 1321 GMT 27 Nov 86

[Text] Beijing, November 27 (XINHUA) -- Chinese Vice-Premier Yao Yilin met here today Anna Chennault, vice-chairman of the U.S. President's Export Council, and her party. Zhang Wenjin, president of the Chinese People's Association for friendship with Foreign Countries, attended the meeting.

Anna Chennault and her party arrived here November 25 after a study tour of Guangzhou, Shenzhen and Hainan Island. While in Guangdong Province, they held talks with local officials on the investment and construction of an airport on Hainan Island.

#### XINHUA CITES GORBACHEV ON USSR REFORM PROBLEMS

OW240736 Beijing XINHUA in English 0631 GMT 24 Nov 86

[Text] Moscow, November 23 (XINHUA) -- Soviet leader Mikhail Gorbachev has said that reforms in the Soviet Union will take time and effort and the traditional mentality of the population is a main obstacle, which should be removed.

In an interview with Indian reporters on the eve of his New Delhi trip, Gorbachev, touching upon reforms in his country, said: "We are on the right road and have the support of the people." "We have drawn up and are already fulfilling serious programs for scientific and technological progress. But what will be decisive to the fate of our plans and policy will be the way we involve man, the working people in this process."

He stressed: "We want to achieve this in the economy through cost-accounting, through the self-management of production collectives, through the broader practice of electing executive personnel and through a new economic mechanism."

However, he pointed out that change is going on not without difficulties, but it will be achieved in every field of society.

He said that considerable importance will be attached to improving "our spiritual and cultural sphere and the moral atmosphere in society." "There is a very strong desire in our people for justice and for the consistent observance of the principles of socialism and the assertion of the values gained," the leader explained, adding, "that is why we are waging an uncompromising struggle against various negative phenomena, abuses of official position, crime, immoral behavior, violations of discipline and order, and drunkenness."

He said that the strengthening of social policy today is the key to the solution of many questions in society.

He noted that whole society should take active part in the change, which, however, should begin with the party. Work within the party, which itself is changing, is being improved, he said.

The leader said: "We are thinking of setting the human factor into motion also by drastically revising our social policy in the interests of the working people."

He said that his country is working out a new law on the enterprise, the main thing of which is the democratization of production and greater independence and responsiblity of work collectives.

# XINHUA ROUNDUP ANALYZES SOVIET ECONOMIC TRENDS

OW211426 Beijing XINHUA in English 1326 GMT 21 Nov 86

["Roundup: Accelerated Economic Growth in Soviet Union in 1986 by Wang Chongjie" -- XINHUA headline]

[Text] Beijing, November 21 (XINHUA) -- For the Soviets, the year 1986 perhaps represents a turning point of their country's economic development which has been sluggish since the beginning of this decade.

National income in the first 10 months grew by 4 percent over the same period last year, industrial output value by 5.1 percent and labor productivity by 4.8 percent. And this trend is unlikely to change in the remaining two months.

It is in this year that Soviet leader Mikhail Gorbachev launched a long-term strategy to accelerate the country's social and economic development. Now the "acceleration" strategy has become a national watchword to spur the Soviets to work harder for a faster economic growth.

This growth is rare, having not occurred for years. Major quotas of the previous five-year plan (1981-85) were not fulfilled. This was the case in the 1970's as well.

The 4.3 percent growth rate in national income this year is much higher than that in the previous five years and exceeds the average growth rate in the second half of the '70s.

The speed of Soviet economic development went down continuously after World War II. It dropped to 3.1 percent between 1981-81 and almost stagnated in 1980 and 1981. Judging from the increase this year, and the prospects for the next year, it appears the slow economic growth has basically changed and a tendency of accelerated development has taken its place.

Quick growth in national income resulted from increased industrial and agricultural production. Grain output for example reached about 210 million tons this year, the best after the seven-year shortage beginning in 1979.

Average annual grain output during the 10th Five-Year Plan (1976-80) was 205 million tons. The 11th Five-Year Plan stipulated the average annual output at 240 million tons. But the actual annual output for the previous five years was only about 180 million tons, 60 million less than the planned figure. Owing to a shortage of almost 300 million tons in the five years, the Soviet Union had to import more than 220 million tons of grain.

Nevertheless, foodstuffs fell short of demand in the Soviet Union during the first half of the 80's. It is reported the Soviet Union will reduce grain imports because of increased output.

There are many reasons for the upswing in the Soviet economy. Economic reform is one of them. Since Soviet leader Mikhail Gorbachev came to power last March, the 27th Congress of the Soviet Communist Party passed a series of resolutions for economic reform.

The reforms have improved management, increased scientific and technological progress and industrial and agricultural production. At the same time, major measures were introduced to adjust investment policies and investment priorities.

Strengthening discipline, ending alcoholism, opposing bureaucracy, punishing corruption, bribery and stealing has also improved economic and social life.

1987 will be a year in which reform in all aspects of the economy will expand. New management techniques will be adopted on a wide scale. This will help the economy continue growing.

However, serious problems accumulated over years in the Soviet economy and society cannot be solved in a short period. Economic development and reform still face many difficulties.

The Supreme Soviet session allocated a budget of 20.2 billion rubles (about 30.3 billion U.S. dollars) for defense next year, a 5.6 percent increase over this year. The increase rate obviously exceeds that of national income.

According to Western reports, the figure accounts for a small part of the actual Soviet military expenditure. The military expenditure of the United States is 300 billion U.S. dollars. In order to keep military balance with the U.S., the Soviet Union has to spend a large amount of manpower and material and financial resources. This is certainly a heavy burden on the Soviet economy.

## TASS OBSERVER CITED SINO-SOVIET RELATIONS

OW231555 Beijing in Vietnamese to Vietnam 1100 GMT 18 Nov 86

["China in the Eyes of Foreigners": "TASS Political Observer's Article: Along the Creative Path"]

[Text] Thirty-seven years ago, on 1 October, the People's Republic of China was born, winning the final victory in the Chinese working people's protracted and arduous revolutionary struggle against imperialism, feudalism, and reactionary forces.

China has become an independent and sovereign country advancing along the path of building a new socialist social system.

During the years of government by the people, the Chinese nation has scored great achievements in developing economies, science, and culture and raising the working people's living standards. Along this path there have been some periods during which China's national economy was on the brink of collapse due to the implementation of the the Great Leap Forward and the Cultural Revolution for well-known reasons.

China is currently remedying and correcting the mistakes and negative consequences resulting from this. The Chinese people are presently implementing the grandiose tasks set forth by the Communist Party of China; namely, modernizing the country and building socialism.

The initial results of the implementation of these grand tasks have proved that China's socioeconomic face has been undergoing great changes.

The Soviet people are conscious of and respect the program of modernization and socialist construction suitable for the people of great China.

Over the past years, relations between the Soviet Union and China have visibly improved. As proved by the era, failure to keep in touch with each other and, especially, lack of friendship and mutual suspicion will bring no good to either side.

All these things have created a good basis for Soviet-Chinese relations to develop constantly in all spheres. In other words, presently there exist conditions for bringing these relations into the orbit of mutual confidence, harmony, and cooperation on the basis of equality and in a situation beneficial to the two peoples and in the interests of peace and socialist undertaking.

### PRC JOURNALISTS TOLD CAMBODIAN REBEL EXPECTATIONS

OWO21628 Beijing XINHUA in English 1557 GMT 2 Dec 86

[Text] Battambang, Kampuchea, December 2 (XINHUA) -- In a battle zone where shots could be heard in the distance, a divisional commander of the Democratic Kampuchean resistance forces this week told a group of visiting Chinese journalists that the resistance is satisfied with the military situation but remains realistic and is fully prepared for an offensive by the Vietnamese.

The tripartite resistance forces in Battambang and other areas have been enjoying good cooperation in the fight against the Vietnamese and morale is high, the commander said.

Battambang, known as the "grain store" of western Kampuchea, is also an important strategic area. The Vietnamese frequently launch strong offensives in attempts to keep control of—the area and the fighting is often fierce, resistence commanders told the Chinese journalists.

Analyzing the military situation going into the ninth dry season since Vietnam invaded Kampuchea, one commander said the annual offensive will be weaker than ever because Vietnam will put its major forces around some big cities and towns to prevent attacks by the resistance forces. As a result, in the vast rural areas the Vietnamese will be on the defensive, not the offensive as in years past, he added.

Since the beginning of the dry season, the commander said the resistance forces have gained good results, destroying transport lines, weakening Vietnamese effectiveness and enlarging the area controlled by the guerrillas by wiping out a large number of local administrations of the Hanoi-installed Heng Samrin regime.

In the current November-April dry season, the commander said, the Vietnamese will likely launch a new offensive, but it will not be a large-scale operation because a large number of Vietnamese soldiers are inexperienced recruits.

The commander said the resistance forces have won great support from local populations by informing them about the eight-point peace proposal that the Coalition Government of Democratic Kampuchea proposed to Vietnam in March of this year. Some soldiers and officials of the Heng Samrin regime have also welcomed the plan after learning of its contents, he said.

The commander said that "we must unite various nationalities of the country, otherwise we can not drive out the enemy."

# PHILIPPINE PRESIDENT RECEIVES PRC JOURNALISTS

OWO21208 Beijing XINHUA in English 1153 GMT 2 Dec 86

[Text] Manila, December 2 (XINHUA) -- Philippine President Corazon Aquino said here today that she continues to be confident of her country because "we have a new cabinet and new [as received] and so much commitment and dedication to the furthering of the country's progress."

The president made the remarks when receiving a visiting Chinese journalists delegation.

Outlining the domestic situation, Mrs. Aquino said that now is a very significant period of the history of the Philippines. "We are having a new administration. We will hold a plebiscite on the new Constitution on February 2 next year. If the Constitution will be approved and ratified, then we will have congressional elections on May 11 next year."

"All this," she stressed, "will contribute to the stability and constitutionality of the country."

She said that the Philippine people will then get their country going and will work in the nation's rebuilding.

President Aquino noted that sometimes, some reports outside the Philippines presented the country in a very delicate and serious lie. Some businessmen cancelled their reservations here at the last minute because of the recent events in the Philippines.

She said that on the other hand, there are people who have found and adjusted to the Filipino way of doing things.

She pointed out that the Filipinos do everything very differently. "We have a peaceful and bloodless revolution. We have a way of announcing or advertizing a coup d'etat. So I think we Filipino people are able to show the way that we can do things in a peaceful and non-violent way."

President Aquino mentioned the ceasefire agreement reached recently between the government and the National Democratic Front representing the Communist Party of the Philippines and other political groups waging armed struggle in the past 17 years. "We are committed to the peace moves so that we will be able to work full time for the economic recovery program," she said.

President Aquino told the Chinese journalists that she welcomed the reporters from China, where her grandfather was born.

"I hope that there will be more delegations from China, for this will be very important for our two peoples to have a stronger and better relationship with each other," she stated.

The five-member Chinese journalists delegation arrived here on November 18 for a visit to the Philipines at the invitation of the National Press Club of the Philippines.

# YAO YILIN MEETS AUSTRALIAN EMPLOYMENT MINISTER

OW271425 Beijing XINHUA in English 1223 GMT 27 Nov 86

[Text] Beijing, November 27 (XINHUA) -- Chinese Vice-Premier Yao Yilin met here today Australian Minister of Employment and Industrial Relations Ralph Willis and his party.

Willis arrived in China November 23 at the invitation of the Chinese Minister of Labor and Personnel Zhao Dongwan. The two ministers held talks here this morning to brief each other on labor employment in their countries.

#### LI PENG AT SINO-FRENCH IMPORT ACCORD CEREMONY

OWO11316 Beijing XINHUA in English 1258 GMT 1 Dec 86

[Text] Beijing, December 1 (XINHUA) -- A contract on importation of two 330,000 kw power generating units from Alsthom of France was signed here today. Chinese Vice-Premier Li Peng attended the signing ceremony.

The two thermo power generating units will be installed at the Jiangyou Power Plant, Sichuan Province.

#### FRENCH COMMUNIST PARTY DELEGATION VISITS

SK220418 Tianjin City Service in Mandarin 1430 GMT 21 Nov 86

[Text] On the afternoon of 21 November at the Youyi Guesthouse, Wu Zhen, deputy secretary of the Tianjin municipal party committee, received the French Communist Party delegation headed by Gaston Plissonier, secretary of the French Communist Party Central Committee and member of the Political Bureau of the party Central Committee. The host and the guests had a warm and friendly conversation. He Guomo, Standing Committee member of the Tianjin municipal party committee, also attended the reception.

The French Communist Party delegation arrived in Tianjin on the evening of 20 November. After visiting the ancient cultural street, the delegation left Tianjin for Beijing on the afternoon of 21 November.

# Xi Zhongxun Meets Delegation

OW291939 Beijing XINHUA in English 1546 GMT 29 Nov 86

[Text] Beijing, November 29 (XINHUA) -- Xi Zhongxun, member of the Political Bureau of the Chinese Communist Party Central Committee, met and feted here today a delegation from the French Communist Party led by Gaston Plissonnier, secretary of the Central Committee and member of the Political Bureau.

The delegation arrived here November 18.

#### GU MU, CHEN MUHUA AT SINO-FRENCH CONTRACT SIGNING

OW221337 Beijing Domestic Service in Mandarin 1200 GMT 17 Nov 86

[Text] A contract for building the China International Trade Center was signed at the Great Hall of the People on the evening of 17 November. The foundation stone for the project, a large Chinese-foreign joint venture approved by the State Council, was laid on 1 September 1985. The project, with a total floor space of about 400,000 square meters, is scheduled for completion by the end of 1988.

State Councillors Gu Mu and Chen Muhua and Minister of Foreign Economic Relations and Trade Zheng Tuobin attended the contract-signing ceremony. Through international bidding, the contract was awarded to the (S.C.O.A.) Company of France recently.

# POLAND'S GORYWODA MAKES STATEMENT ON PRC VISIT

LD012245 Warsaw PAP in English 1956 GMT 1 Dec 86

[Report by PAP correspondent Jerzy Bajer: "Vice-Premier Gorywoda's Statement for PAP"]

[Text] Beijing, Dec 1 -- "I can assess the visit to the People's Republic of China as fruitful. The visit made it possible to learn more about the problems of economic development, the assumptions of the Chinese economic and social policies, as well as the aims and course of the implementation of the Chinese economic reform programme," Vice-Premier Manfred Gorywoda told PAP at the close of his Chinese visit.

"In the course of talks with the Chinese partners we could note that directions of seeking system solutions in the two countries were approximate, and a number of problems were marked by considerable similarities. It was agreed that the two sides would exchange experts in economic management in order to enrich the knowledge on the course of reforms in the two countries and experience in this field," the vice-premier said.

"Details of the programme of cooperation, which was adopted during the Polish delegation's visit to Beijing and which defines the scope of mutual interest, will be agreed upon by appropriate ministries. The two sides pointed to the necessity for Polish and Chinese enterprises to establish broader cooperation, including co-production which should be furthered by the decentralization of decisionmaking to the factory level," Gorywoda went on.

"The two sides stated that there were possibilities to broaden trade and production cooperation. They stressed the need to adjust the structure of exchange and forms of cooperation to the changing level of development of the two states," he said.

"The Chinese economy is developing dynamically and there are numerous modern plants in China. The opening to the world helped speed up the growth rate of the Chinese economy." Gorywoda said.

"In many respects, solutions applied by the Chinese side are very bold and far-reaching, and, obviously, they take account of local determinants.

"It is purposeful to closely watch the experience and effectiveness of Chinese solutions. The visit by the delegation of the Government Planning Commission to China helped exchange experience on the economic reform, assess the state of cooperation and directions of its development, and work our principles of broadening economic co-production and methods of cooperation between the planning bodies of the two states," Gorywoda said.

## SONG JIAN TALKS WITH POLISH MINISTER TOTT

OW012026 Beijing XINHUA in English 1626 GMT 1 Dec 86

[Text] Beijing, December 1 (XINHUA) -- Song Jian, Chinese state councillor and minister in charge of the State Science and Technology Commission, held talks with Konrad Tott, Polish minister of scientific and technological progress and application, here today.

They explored new ways and forms of economic and scientific and technological cooperation between China and Poland.

Song Jian said forms of investment and operation need to be worked out to ensure the implementation of the cooperative projects. He suggested that Poland may invest in China or the two sides make joint investment in projects of common interest or conduct technical cooperation.

Later, Song and Tott signed a summary on the Polish delegation's visit to China and a Sino-Polish plan for 1986-1990 scientific and technological cooperation and a work plan for 1986-1988 direct scientific and technological cooperation between Song's commission and the Polish Commission for Science and Technical Progress under the Council of Ministers. This evening, Song hosted a dinner for the Polish guests.

#### PRC TRADE UNION DELEGATION ENDS POLISH VISIT

OWO20210 Beijing XINHUA in English 0147 GMT 2 Nov 86

[Text] Warsaw, December 1 (XINHUA) -- A delegation from the All-China Federation of Trade Unions and Poland's National Federation of Trade Unions today agreed to develop further cooperation and exchanges.

The head of China's delegation Wang Shenxiang and chairman of Poland's Federation Alfred Miodowicz said the visit by the Chinese delegation has improved the traditional friendship and good relations between the two peoples and trade unions.

The delegation arrived on November 24 to attend the congress of Poland's National Alliance of Trade Unions. It met with Polish leader Wojciech Jaruzelski and visited factories and museums before departing for home today.

#### NPC OFFICIAL REVIEWS EAST EUROPEAN VISIT

OW281032 Beijing XINHUA in English 0704 GMT 28 Nov 86

[Text] Beijing, November 28 (XINHUA) -- A senior official of China's highest legislature said here today China and East European countries have much common ground on issues of development and peace and can learn from each other's experiences in national construction.

"Both China and East European countries, which are devoting themselves to socialist construction, economic development and improvement of their people's livelihood, are concerned about and maintaining world peace," he added.

Liao Hansheng, vice-chairman of China's National People's Congress (NPC) Standing Committee, made these remarks while reporting on the visit of a NPC delegation he led to Bulgaria, Hungary and Czechoslovakia last September and October to the Standing Committee at its ongoing 18th session here this morning.

He said: "The visit of the NPC delegation, the first to Hungary since the establishment of diplomatic relations between the two countries, and also the first to Bulgaria and Czechoslovakia since 1956 testifies to the growth of political relations between China and the three East Europe countries."

"This visit," he said, "has helped resume and further the contacts between the NPC and parliaments of the three countries, and promoted mutual understanding and friendship as well as friendly cooperation between China and these countries."

He said: "My delegation conveyed to leaders of the three countries China's wish to further its relations with them in various fields, and the three countries also expressed their desire to further relations with China and explore new ways for cooperation."

He told the committee that heads of the parliaments of Hungary and Czechoslovakia have accepted invitations from the NPC Standing Committee and its Chairman Peng Zhen to visit China.

The committee also heard a report on a NPC delegation's visit to Uruguay, Panama and Cuba today.

# BULGARIAN PREMIER MEETS ELECTRONICS MINISTER LI

OW210748 Beijing XINHUA in English 0638 GMT 21 Nov 86

[Text] Sofia, November 20 (XINHUA) -- Bulgarian Premier Georgi Atanasov Thursday commented on Sino-Bulgarian ties and his country's economic reform in a meeting with Chinese Electronics Industry Minister Li Tieying.

Atanasov said the visit to Bulgaria by Li and his delegation will further improve trade between the two countries.

Electronics is one of the most advanced industries in Bulgaria and is a major contributor to the nation's gross national product, he said.

"The Chinese electronics industry is developing rapidly, thus the cooperation of the two countries in the electronics field is something promising," Atanasov said.

On Bulgarian economic reform, Atanasov said it is not a simple task to restructure the management system and introduce new equipment.

"However, as soon as the reform is complete, it will greatly increase Bulgaria's productivity," he said.

On Sino-Bulgarian relations, Atanasov emphasized that the recent visit to China by Bulgarian First Deputy Premier Andrey Lukanov has improved the two nations' economic ties. Bulgaria and China should establish a long-term, stable cooperative relationship, he added.

Lukanov, in a separate meeting with Li, also pointed out that "the contacts between our two countries have entered a new stage and the prospect for electronics cooperation is bright." He said both Bulgaria and China have sound ground on which to develop the industry. "We are willing to cooperate with China," he added.

The Chinese electronic delegation headed by Li arrived here November 17 for a visit aimed at increasing cooperation between China and Bulgaria.

# ZHAO ZIYANG SUPPORTS PALESTINIAN RIGHTS

OW290402 Beijing XINHUA Domestic Service in Chinese 0138 GMT 29 Nov 86

[Text] Beijing, 29 Nov (XINHUA) -- In a message to the chairman of the UN meeting to mark the "International Day of Solidarity With the Palestinian People," Premier Zhao Ziyang, on behalf of the Chinese Government and people, today expressed firm support for the Palestinian people's just struggle to regain their legitimate national rights. The message reads:

On the occasion of the "International Day of Solidarity With the Palestinian People," and on behalf of the Chinese Government and people, I wish to express our firm support and lofty respect for the Palestinian people, who have been carrying out an arduous struggle to regain their legitimate national rights, and our appreciation to the United Nations for its support for the Palestinian people's just struggle and its efforts to promote an early, just, and reasonable settlement of the Palestinian issue.

The Palestinian and Arab peoples have carried out a protracted struggle for their legitimate national rights and for recovering the seized territories. In recent years, the Palestine Liberation Organization and Arab countries, as well as the international community, have endeavored to seek a peaceful settlement of the Palestinian issue. Without regard to the voices of the international community and the series of resolutions adopted by the United Nations, the Israeli authorities have obstinately upheld their policies of aggression and expansion and refused to recognize the Palestinian people's legitmate rights, thereby impedeing settlement of the Palestinian issue, causing prolonged tension and turbulence in the Middle East and dire miseries to the nations in the region, and posing a great threat to world peace.

Profoundly sypathetic with, and firmly supporting, the just struggle of the Palestinian and Arab peoples, the Chinese Government and people are strongly opposed to Israel's intransigent position of aggression and expansion. I wish to take this opportunity to reiterate that Israel must withdraw from the Arab territories it has occupied since 1967, that the Palestinian people's legitimate rights must be restored, and that all countries in the Middle East should enjoy equal right of existence. China supports the convocation of an international conference on the Middle East, under UN auspices, to seek a just and peaceful settlement of the Palestinian issue. We are willing to continue to work hard with the international community to promote an early and reasonable settlement of the Palestinian issue. We are convinced that the Palestinian people, under the leadership of the Palestine Liberation Organization and with the support from the Arab countries, will utimately attain their lofty goal of regaining their national rights by strengthening their unity and persisting in struggle.

# HUANG HUA ATTENDS PALESTINIAN DAY RECEPTION

OW282109 Beijing XINHUA in English 1553 GMT 28 Nov 86

[Text] Beijing, November 28 (XINHUA) -- The Chinese People's Association for Friendship With Foreign Countries gave a reception here today to mark the "International Day of Solidarity With the Palestinian People."

Speaking at the reception, president of the association Zhang Wenjin said the Chinese people strongly condemn Israel's policy of aggression and expansion and firmly support the Palestinian and other Arab peoples in their just struggle for restoring their national rights and recovering their lost land.

Yusuf Rajab Radi, head of the mission of the Palestine Liberation Organization in Beijing, said: "We are not bellicose. We are fighting for peace which is based on equity."

He condemned the United States Government and Israel supported by it for their crimes against the Palestinian and other Arab peoples. He said the Palestinian people will rally around the PLO and carry on a tenacious struggle until final victory. He also thanked the Chinese Government and people for their consistent support to the Palestinian people's just struggle.

Huang Hua, vice-chairman of the Chinese National People's Congress Standing Committee, was among those present.

# PRC DELEGATION VISITS ZAIRE, CAMEROON

#### Arrives in Zaire

OW230746 Beijing XINHUA in English 0631 CMT 23 Nov 86

[Text] Kinshasa, November 22 (XINHUA) - Chinese State Council member Zhang Jingfu and his delegation arrived here tonight for a friendly visit to Zaire.

The Chinese Government delegation will attend the dedication ceremony of the cornerstone of "Kamanyola", the major sports complex China is helping Zaire build in Kinshasa.

Upon his arrival, Zhang told reporters that he carried a message from Chinese President Li Xiannian for Zairean President Mobutu Sese Seko.

Zhang said, "China and Zaire belong to the countries of the Third World. The Chinese people and the Zairean people maintain a very profound friendship. The two countries maintain very good cooperative relations in the areas of politics, economy, culture and sports."

#### Meets Zaire President

OW260440 Beijing XINHUA in English 0144 GMT 26 Nov 86

[Text] Kinshasa, November 25 (XINHUA) -- Zairean President Mobutu Sese Seko told visiting Chinese State Councillor Zhang Jingfu today that Zaire would spare no effort to strengthen cooperative relations between their countries.

Mobutu said China and Zaire are setting an example to the developing world with their exemplary South-South cooperation.

Zhang handed Mobuto a message from Chinese President Li Xiannian which underlined the importance China places on its friendly relations with Zaire.

Zhang arrived here November 22 heading a government delegation. The group was invited to attend on November 23 the ceremony to dedicate the cornerstone of "Kamanyola", a sports complex China is helping Zaire build in Kinshasa.

# Attends Cornerstone-Laying

OW252347 Beijing XINHUA Domestic Service in Chinese 0652 GMT 24 Nov 86

[By reporters Chen Weibin and Huo Zhongyou]

[Excerpts] Kinshasa, 23 Nov (XINHUA) -- A cornerstone-laying ceremony for the (Kamaniaula) Multipurpose Stadium, a project to be built in Kinshasa with Chinese aid, was held here today. [passage omitted]

Chinese State Councillor Zhang Jingfu came here to attend the ceremony at the invitation of the Zairian Government. [passage omitted]

In a speech delivered at the ceremony, Zhang Jingfu pointed out that China is ready to work with its Zairian friends to explore new areas and ways for conducting economic and technological cooperation between the two countries, according to the principle of "equality and mutual benefit, with stress on practical results, diversified forms, and common development," to achieve greater results from their cooperation. [passage omitted]

The (Kamaniaula) Multipurpose Stadium is the largest stadium to ever be built in Africa with Chinese aid. It will occupy an area of 60,000 square meters. This modern stadium will consist of an 80,000-seat soccer field, a track and field events ground, and several volleyball, basketball, and tennis training courts.

## Arrives in Cameroon

OW270348 Beijing XINHUA in English 0139 GMT 27 Nov 86

[Text] Yaounde, Novembr 26 (XINHUA) -- Chinese State Councillor Zhang Jingfu and his delegation arrived today in this capital of Cameroon.

During their five-day visit, the 16-member delegation will attend the inauguration ceremony of a hydro-electric power plant built here by Chinese engineers and technicians.

The delegation just completed a visit of Zaire. The next stop on their African tour is Central Africa.

#### Meets Cameroon President

OW280153 Beijing XINHUA in English 0146 GMT 28 Nov 86

[Text] Yaounde, November 27 (XINHUA) -- Cameroonian President Paul Biya met today with State Councillor Zhang Jingfu who is leading a delegation to African countries.

Biya told Zhang: "Your visit to Cameroon testifies to the desire of China to pursue the cooperation between our two countries."

Zhang delivered a letter to Biya from Chinese President Li Xiannian who said he awaits Biya's visit to China.

Biya said the Lagdo dam and hydro-electric power plant, which China helped Cameroon build, will play an important role in the country's economic development as it will prompt agricultural and industrial growth, particularly in northern Cameroon.

Zhang and his 15-member delegation, who arrived here yesterday, are to attend the inauguration ceremony of the hydro-electric complex.

# Attends Power Plant Opening

OW301121 Beijing XINHUA in English 0908 GMT 30 Nov 86

[Text] Lagdo, Cameroon, November 30 (XINHUA) -- Cameroon's President Paul Biya and visiting Chinese State Councillor Zhang Jingfu yesterday attended the completion ceremony of Lagdo Hydro-electric Power Station in north Cameroon.

The four-generating-set plant, built by the Chinese External Hydro-electric Power Company, has an installed capacity of 72 mw.

Construction on the plant started in 1978 under a China-Cameroon economic and technical cooperation agreement signed in 1973. The first generating unit, which went into operation in 1983, had put out 300 million kw by the end of July 1986.

The plant, situated on the upper reaches of the Benue River, will greatly enhance agricultural and industrial development in northern Cameroon.

State Councillor Zhang Jingfu is now heading a Chinese Government delegation to countries in Central Africa.

# KUWAITI MINISTER RETURNS HOME, LAUDS PRC VISIT

OW211344 Beijing XINHUA in English 1142 GMT 21 Nov 86

[Text] Kuwait, November 21 (XINHUA) -- The Kuwaiti Finance Mininster said that his visit to China is fruitful and satisfactory.

Kuwaiti Finance Minister Jasim al-Kharafi said this to the press at the airport Thursday night on his return from his one-week visit to China.

He said that during the visit Kuwait and China had initialed an agreement on the establishment of the Kuwait-China Joint Committee, which is responsible for the supervision of the implementation of all accords signed between the two countries.

During the visit, Kuwait and China had also signed a loan agreement by which the Kuwait Islamic Economic Development Fund will provide a loan of 2 million Kuwaiti dinars (6.8 million U.S. dollars) for the project of a brick factory in Shandong Province, east China.

China has decided to import 400,000 tons of chemical fertilizer from Kuwait, which amounts to two thirds of the Kuwaiti annual production.

# PERUVIAN PROCURATORATE DELEGATION VISITS PRC

#### Meets Yang Yichen

OW292014 Beijing XINHUA in English 1612 GMT 29 Nov 86

[Text] Beijing, November 29 (XINHUA) -- Yang Yichen, procurator-general of the Chinese Supreme People's Procuratorate, met a delegation from the Peruvian National Procuratorate led by Procurator-General of the Nation Cesar Elejalde Estenssorchere this evening.

The Peruvian visitors came to China this afternoon and are scheduled to tour Shanghai and Suzhou in addition to Beijing.

#### Meets Court President

OWO11312 Beijing XINHUA in English 1221 GMT 1 Dec 86

[Text] Beijing, December 1 (XINHUA) -- Zheng Tianxiang, president of the Chinese Supreme People's Court, met a delegation from the Peruvian National Procuratorate led by Procurator-General of the Nation Cesar Elejalde Estenssoro here this evening.

This morning, Elejalde had talks with leading procurators of the Chinese Supreme People's Procuratorate and the Beijing Municipal People's Procuratorate.

Later, the Peruvian procurator-general delivered a speech to 300 Chinese judicial workers on Peru's legal system and procuratorial work.

#### Peng Chong Meets Group

OWO21236 Beijing XINHUA in English 1124 GMT 2 Dec 86

[Text] Beijing, December 2 (XINHUA) -- Peng Chong, vice-chairman of the National People's Congress Standing Committee, met here today a delegation from the Peruvian National Procuratorate led by Procurator-General of the Nation Cesar Elejalde Estenssoro.

## SONG RENQIONG MEETS PERUVIAN TRADE UNION GROUP

OW241110 Beijing XINHUA in English 1039 GMT 24 Nov 86

[Text] Beijing, November 24 (XINHUA) -- Song Renqiong, vice-chairman of the Central Advisory Commission of the Chinese Communist Party, met here today with a delegation from the General Confederation of Trade Unions of Peru.

The delegation, led by the confederation's General Secretary Palentin Pacho, arrived here November 22 at the invitation of the All-China Federation of Trade Unions.

# CHINA PRC NATIONAL AFFAIRS

# NPC RATIFIES CONSULAR TREATY WITH USSR 2 DEC

OWO21352 Beijing XINHUA Domestic Service in Chinese 1243 GMT 2 Dec 86

[Text] Beijing, 2 Dec (XINHUA) -- Decision of the Standing Committee of the National People's Congress on ratifying the "Consular Treaty between the People's Republic of China and the Union of the Soviet Socialist Republics"

(Adopted on 2 December 1986)

The 18th Session of the Standing Committee of the Sixth National People's Congress has made the following decision:

Ratifying the "Consular Treaty between the People's Republic of China and the Union of the Soviet Socialist Republic" signed by Vice Foreign Minister Qian Qichen on behalf of the People's Republic of China in Beijing on 10 September 1986.

# Adopts Correspondence Law

OWO21148 Beijing XINHUA in English 0728 GMT 2 Dec 86

[Text] Beijing, December 2 (XINHUA) -- China's Postal Service Law, which was adopted here today, ensures that the privacy of letter writers is protected and those who open other people's mail will be prosecuted.

This new right applies not only to correspondence between Chinese people but letters written by foreigners and mailed within China are also protected, a Chinese official said here today.

Yang Taifang, minister of posts and telecommunications, said "the Postal Service Law is the first written law in the field of posts and telecommunications since the founding of New China 37 years ago," he said in an exclusive interview with XINHUA.

With 44 articles in eight chapters, the Postal Service Law clearly stipulates that privacy in correspondence is protected under China's Constitution.

The law stipulates "with the exception of state security and procuratorial organs which examine letters in line with legal procedures no one is allowed to infringe upon another's freedom of correspondence and privacy."

It also stipulates that no organization or person is allowed to examine or hold mail.

The minister expressed his confidence that the new law will not only protect the privacy of letter writers but help maintain good postal service and promote the development of posts and communications in the country.

He said, "it is based on the needs of the times, the needs of citizens and the needs for improvements in democracy and the legal system."

The minister noted that the problem of opening other people's mail had been a serious one during the Cultural Revolution (1966-76) in China. He said it is illegal for higher authorities to open letters addressed to someone of a lower level, teachers to open students' letters, parents to open letters of their family members while other people to steal stamps from letters or even destroy the mail. [sentence as received]

He added that "those who hide, destroy, or illegally open another person's letters should be punished in line with regulations set out in China's criminal code."

As for minor offenses, he said, the offenders should be punished according to regulations governing offenses against public order.

The Postal Service Law outlines the penalities postal service employees risk if they neglect duties and cause severe losses in public property and the interests of states and people.

# Adjourns Meeting

OWO22222 Beijing XINHUA Domestic Service in Chinese 1129 GMT 2 Dec 86

[Text] Beijing, 2 Dec (XINHUA) -- The 18th meeting of the 6th NPC Standing Committee closed this morning at the Great Hall of the People after examining and adopting decisions on a number of draft laws and motions.

Chairman Peng Zhen attended the meeting.

The meeting approved the "Enterprise Bankruptcy Law (trial) of the People's Republic of China," the "Border Quarantine law of the People's Republic of China," and the "Postal Service Law of the People's Republic of China." The Enterprise Bankruptcy Law, consisting of 43 articles in 6 chapters, will be implemented on a trial basis 3 months after the state-owned industrial enterprises law goes into effect. The Border Quarantine Law, consisting of 28 articles in 6 chapters, will go into effect on 1 May 1987 to replace the "Border Quarantine Regulations of the People's Republic of China," promulgated on 23 December 1957, which will be rescinded at the same time. The Postal Service Law, consisting of 44 articles in 8 chapters, will come into force on 1 January 1987.

The meeting also approved decisions on revising the "Law of the People's Republic of China Governing Elections of the National People's Congress and People's Congresses at Various Local Levels" and the "Organic Law of the People's Republic of China Governing People's Congresses and Governments at Various Local Levels."

The meeting approved a decision on establishing a Ministry of Supervision of the People's Republic of China, and a decision on establishing a State Machine-Building Industry Commission and abolishing the Ministries of Machine-Building and Ordnance Industries. The meeting decided to appoint Zou Jiahua as the minister in charge of the State Machine-Building Industry Commission and remove him from the post of minister of ordnance industry.

The meeting also adopted decisions to ratify the "Consular Treaty Between the People's Republic of China and the Italian Republic," the "Consular Treaty Between the People's Republic of China and the Mongolian People's Republic," and the "Consular Treaty Between the People's Republic of China and the Union of Soviet Socialist Republics," as well as a decision on China's participation in the "Convention on Recognizing and Implementing Foreign Arbitration Ruling."

The meeting approved a report by the Credentials Committee of the Sixth NPC Standing Committee on the credentials of newly elected deputies, a report by the NPC Financial and Economic Committee on results in reviewing deputies' motions handed over by the Presidium of the Fourth Session of the Sixth NPC, and a report by the NPC Education, Science, Culture, and Public Health Committee on results in reviewing deputies' motions handed over by the Presidium of the Fourth Session of the Sixth NPC.

The meeting also made other personnel appointments and removals.

According to the NPC Standing Committee's procedures for examining draft laws, the "State-Owned Industrial Enterprises Law (draft) of the People's Republic of China" and the "Customs Law (draft) of the People's Republic of China, which were submitted by the the State Council for deliberation at the meeting, will be handed over to the NPC Law Committee and the NPC Standing Committee's Legislative Affairs Commission for study and revision together with the NPC Financial and Economic Committee based on the preliminary views of standing committee members offered at the meeting, as well as suggestions by various localities and departments concerned, and then submitted to the next standing committee meeting for deliberation.

Vice Chairman Chen Pixian presided over the meeting today. Vice Chairmen attending the meeting were Geng Bino, Peng Chong, Zhu Xuefan, Ngapoi Ngawang Jigme, Banqen Erdini Qoigyi Gyancan, Zhou Gucheng, Rong Yiren, Ye Fei, Liao Hansheng, Huang Hua, and Chu Tunan.

State Councillor Wang Bingqian, President of the Supreme People's Court Zheng Tianxiang, and Procurator General of the Supreme People's Procuratorate Yang Yichen attended the meeting as observers.

## STATE COUNCIL APPROVES COMMODITY PRODUCTION LOANS

OW250754 Beijing XINHUA Domestic Service in Chinese 0638 GMT 22 Nov 86

[Excerpt] Beijing, 22 Nov (XINHUA) -- The State Council has decided to appropriate 1 billion yuan in special loans at discount interest rates annually beginning this year for 5 years. This is to help key poverty-stricken councies develop commodity production and provide enough food and clothing for their people.

In this connection, the People's Bank of China and the Agricultural Bank of China have recently formulated "measures for supervising the special loans at discount interest rates to help poverty stricken areas," and have called on all localities to implement the measures.

According to the measures, the People's Bank of China will make special arrangements for the funds needed for the loans, which will be issued by the Agricultural Bank of China. Loans totalling 500 million yuan will be initially issued this year, and the remaining 500 million yuan will be added to the loans for next year.

The measures require that the special loans be issued to poverty stricken counties designated by the State Council's Leading group for Economic Development in Poor Areas; that the loans be focused on production projects with small investment but quick returns and which are suitable for individual households to make use of available local resources; and that priority be given to the raising of livestock, poultry, and aquatic products, exploitation of small mines, processing of farm products, and popularization of new technologies that have yielded remarkable results in increasing grain output. The term of the special loans is, in general, 1 to 3 years, and should not exceed 5 years. [passage omitted]

# CPC, STATE COUNCIL HOLD RURAL WORK MEETING

OW241106 Beijing XINHUA in English 1031 GMT 24 Nov 86

[Text] Beijing November 24 (XINHUA) -- The Chinese Communist Party and the central government are taking new steps and are resolved to push forward the nationwide rural reform by developing the rural commodity economy, according to a meeting held here recently.

Senior party and government officials have called on local governments and all rural work officials to make persistent efforts in the rural reform which has attracted worldwide attention since 1979.

For the above purpose, the Central Committee of the Chinese Communist Party and the State Council held a joint meeting on rural work in Beijing between November 8 through 12, which was attended by leading officials from local governments.

Delegates discussed the arrangements for next year's rural work and set forth the general requirements — continue to persevere in reform, strive for a big increase in grain output, develop the commodity economy to achieve a sustained and steady increase growth of the rural economy.

The delegates said it was the utmost task for China's rural areas to continue the ongoing reform next year while doing other jobs -- paying great attention to grain production, readjusting the structure of rural production, strengthening economic development in poor areas and taking effective measures to make a steady increase in peasants' income.

Chinese leader Deng Xiaoping made an instruction not long ago, saying that agriculture should be given a proper position.

In line with the spirit of this, the delegates held that it is the unwavering strategic goal in developing the national economy to ensure the supply of 400 kg of food grain per capita by the end of this century and try to achieve greater grain harvests.

The delegates unanimously agreed that China has achieved big progress in rural work this year while it is carrying out overall reform of economic system. A bumper grain harvest was achieved despite natural disasters. Farm product bases and rural industry expanded while farm produce markets are brisk.

On the whole, the rural situation is fine. The reform is going on in depth, 800 million peasants live and work in peace and contentment, production initiative is high and the socialist commodity economy is developing rapidly.

However, there still remain new problems to be solved, such as how the state can implement readjustment of agricultural production under the responsibility system based on the household, how to restructure the rural commodity circulation channels and how to improve relations of production and sale.

Despite the difficulties, the delegates said, there are many favorable conditions for China to push forward the reform. Peasants have already got benefits from the reform and are now displaying initiative.

The five-day meeting called on officials in rural areas to mobilize people to join in the reform and popularize the reform results.

# STATE COUNCIL TO REORGANIZE GARMENT TRADE

OW281537 Beijing XINHUA in English 1537 GMT 28 Nov 86

["Garment Export Setup To Be Revamped" -- XINHUA headline]

[Text] Beijing, November 28 (XINHUA) -- To expand garment exports on a large scale during the next five years, China's State Council has decided to change the administration of the Chinese Garment Industry Corporation.

The Chinese Garment Industry Corporation, belonging to the Light Industry Ministry in the past, is to be put under the administration of the Textile Industry Ministry from today.

Textile products will become China's most important commodities for export in the Seventh Five-Year Plan (1986-1990). And by 1990, the export of textile products (including garments and silk) is expected to be 80 percent more than that in 1985.

To realize the goal, the government will implement favorable policies in funds, loans, taxes and the foreign currency to encourage textile exports.

In the past, the materials for making garments belonged to the Ministries of Textiles and Light Industry separately. And only 30 percent of the earnings of the textile products came from garments, much less than that of other textile-exporting countries.

The new setup will bring the whole process from material to ready-made products under unified control.

# REGULATIONS FOR FOREIGN ENTERPRISES DRAWN UP

OW300529 Beijing XINHUA Domestic Service in Chinese 0724 GMT 26 Nov 86

[Text] Beijing, 26 Nov (XINHUA) — With the concurrence of the State Council Leading Group for Foreign Investment, the Ministry of Labor and Personnel has drawn up the "Regulations Governing Employment Autonomy, Workers' Wages, and Insurance and Welfare Fees in Foreign Enterprises." The full text of the regulations follows:

To implement the "State Council Regulations for Encouraging Foreign Investment," protect foreign enterprises' employment autonomy, and properly set the pay scale and the amount of insurance and welfare fees for Chinese workers, the following regulations are hereby prescribed:

- I. On Foreign Enterprises' Employment Autonomy
- 1. In accordance with their production and operational needs, a foreign enterprise may set up its organs and determine the size of its staff. With the assistance of the local department of labor and personnel, it may recruit and hire workers, and employ those who are qualified.

With the concurrence of departments of labor and personnel of the regions concerned, a foreign enterprise may, through the department of labor and personnel of the province, autonomus region or municipality directly under the central government where it is located, recruit the engineers, if these personnel are not available locally.

- 2. The original employers should actively support the flow of their engineers, technicians, administrators, and skilled workers whom a foreign enterprise has tested and decided to employ. Should there be disputes, they should be arbitrated by the local departments of labor and personnel.
- 3. The senior administrators the Chinese side has sent to work at a foreign enterprise should be personnel who are knowledgeable of policies, as well as technical and administrative affairs, and who have initiative and can cooperate with the foreign enterprise.

The relevant departments should support their work and should, in general, not transfer them to other posts during their tenure of office. If a transfer is absolutely essential, it should have the consent of the board of directors.

- 4. A foreign enterprise may discharge those personnel found unqualified during their probation or training, or those who can be spared owing to changes of production know-how in the enterprise. According to the seriousness of the case, an enterprise can punish, or even dismiss, those workers who have caused fairly serious consequences by violating the enterprise's rules and regulations.
- II. On Workers' Wages, Insurance and Welfare Fees
- 1. The pay scale of workers in a foreign enterprise shall be set by the board of directors according to the principle that it should not be lower than 120 percent of the average wage paid to the workers of a local state enterprise of the same trade and with similar conditions, and it should be readjusted according to the enterprise's economic performance. There should be a higher pay raise when economic performance is good, and there should be a small or no raise at all when economic performance is poor.
- 2. In accordance with the regulations of the local people's government, a foreign enterprise should set up funds for Chinese workers' retirement pension and insurance against unemployment. When a worker is employed, his insurance and other welfare benefits shall be handled according to the Chinese Government's relevant regulations for state-operated enterprises. The fees needed for such purposes shall be considered part of the enterprise's production cost.
- 3. In accordance with the regulations of the local people's government, a foreign enterprise should contribute to the housing subsidy fund, which will be used by the Chinese side of the enterprise to subsidize the construction or purchase of workers' living quarters.

#### CIRCULAR NOTES FAILURES IN PARTY RECTIFICATION

OWO30501 Beijing XINHUA Domestic Service in Chinese 0006 GMT 3 Dec 86

[Text] Beijing, 3 Dec (XINHUA) -- A few units at the departmental and bureau levels of some provinces, autonomous regions, and municipalities and of some departments, ministries, and commissions among CPC Central Committee organs and central state organs have not yet carried out party rectification for one reason or another. Also, party rectification has yet to be started in more than 600 units at the county level. In view of this, the office of the CPC Central Commission for Guiding Party Rectification recently issued a circular asking party committees and leading party groups of the localities and the central departments concerned to strengthen supervision and guidance in this respect. They are being urged to make real efforts to grasp firmly and earnestly the party rectification work in these units and strive to have the work completed in the current winter-spring period.

The circular issued by the office of the CPC Central Commission for Guiding Party Rectification points out: There are numerous reasons for some units not conducting party rectification as scheduled. In some cases, the main reason is that the leading body is not sound enough to lead the party rectification work. In other cases, the units in question are under dual leadership of local authorities and departments in charge of the work in their specialized fields.

Owing to the poor job done by local party committees and departments concerned in coordinating their work, nothing has been done to organize and lead the party rectification work in these units. In still other cases, party rectification has been put off because the units in question have undergone changes in system or in structure. Unless positive efforts are made to speed up the party rectification work in these units, it is inevitable that the successful conclusion of the nationwide party rectification work will be adversely affected.

In the circular, the office of the CPC Central Commission for Guiding Party rectification sets specific demands on party rectification in these units. In the main, the demands are: The offices for guiding party rectification in the concerned provinces, autonomous regions, and municipalities and the party committees or leading party groups of the concerned departments, ministries, and commissions among the CPC Central Committee organs and the central state organs should conduct an investigation of units at and above the county level in their localities and departments that have not yet started party rectification; analyze the reasons for their failure to do so; and based on the respective conditions of these units, make concrete arrangements for the party rectification work. Party committees at higher levels should earnestly strengthen their leadership over party rectification work of these units and take effective measures to help them solve practical problems existing in the work. party organizations of these units should, in particular, concentrate their efforts on grasping in a down-to-earth way every task connected with party rectification. While fulfilling the four tasks of achieving ideological unity, rectifying party style, strengthening discipline, and purifying party organizations, they should pay particular attention to solving their existing problems; seriously organize their party members to study the guidelines of the resolution adopted at the 6th Plenary Session of the 12th CPC Central Committee; and educate the broad masses of party members so as to vie with each other to act as models in building socialist material and spiritual civilizations.

#### COMMISSION WANTS CONTINUED POPULATION CURBS

OW012056 Beijing XINHUA in English 1544 GMT 1 Dec 86

[Text] Beijing, December 1 (XINHUA) -- China must continue to limit its population growth, Wang Wei, minister in charge of the State Family Planning Commission, said here today.

Speaking at a national meeting on family planning, Wang said the proportion of older persons in the Chinese population is increasing.

According to a survey in 1982, the population of children in China under 14 years old accounted for 33.6 percent of its total population.

"Now these people are at the marriage stage and a baby boom can be expected," the minister noted.

Thanks to the nation's family planning policy, the birth rate has dropped since the 1970s. The population growth has been cut to 11 per thousand, but still higher than in developed countries.

The nation's population expanded at an average of 11,650,000 a year between 1981 and 1985 and the rate of increase picked up in the first half of this year.

Sponsored by the State Council, the meeting, which opened today, is attended by leading officials and people in charge of family planning measures in different provinces, municipalities and autonomous regions.

#### HU, DENG, ZHAO MEET UNITED FRONT WORKERS

OWO21320 Beijing XINHUA Domestic Service in Chinese 0629 GMT 2 Dec 86

[Text] Hu Yaobang, Deng Xiaoping, Zhao Ziyang, and other party and state leaders this morning met with comrades attending the National United Front Work Conference and the National Conference on Propaganda in the Field of External Relations at the Great Hall of the People and had pictures taken with them respectively.

Those taking part in the meeting and picture taking also included comrades Wan Li, Xi Zhongxun, Qiao Shi, Yu Qiuli, Hu Qiaomu, Hu Qili, Wang Zhaoguo, Wang Zhen, Bo Yibo, Song Renqiong, Peng Chong, Zhu Xuefan, Ngapoi Ngawang Jigme, Banqen Erdini Qoigyi Gyancan, Zhou Gucheng, Rong Yiren, Chu Tunan, Yang Jingren, Qian Changzhao, Zhou Peiyuan, Burhan, Miao Yuntai, Fei Xiaotong, Zhao Puchu, Qu Wu, Lei Jieqiong, Huang Dingchen, and Su Ziheng.

#### HU JUEWEN COMMENTS ON UNITED FRONT WORK

HKO21017 Beijing RENMIN RIBAO in Chinese 27 Nov 86 p 4

[Article by Hu Juewen [5170 0628 2429] and Hu Ziang [5170 1311 2491]: "Views on United Front Work Led by the Communist Party of China"]

[Text] The united front work situation in our country has indeed become better and better since the 3d Plenary Session of the 11th CPC Central Committee. In the wake of progress in all-round reform, the process of opening up to the outside world, the great cause of the reunification of the motherland, and the implementation of the basic principle of "one country, two systems," our united front is now faced with many new problems that need to be dealt with earnestly and handled properly. We are too old to be well informed, and we think we are subject to quite a few limitations regarding our knowledge of the whole situation in united front work. But, after all, we would like to air our views on the strengthening and improvement in the CPC's leadership over the united front in light of our knowledge of developments in the past few years, and our forecast for the future.

1. Living in old China for decades, we had expended all our energies in our struggle and experienced all kinds of hardships. Our painful experiences during the past several decades gradually awakened us to the fact that old China's poverty and backwardness, its long submission to foreign powers, and its helpless position was in fact mainly due to the Chinese nation's disunity and disintegration. Therefore, China's hope of survival lay only in the establishment of a united front in place of the state of disunity. A leadership core is needed to consolidate and develop the united front. Without it the country would lack centripetal and cohesive forces as well as the power of endurance, and we would suffer the same old disasters, even if a situation of unity emerged for a while. To establish our nation's leadership core, we can never lay our hope on a certain individual or a certain group claiming himself or itself to be the leader. Nor can we impose any leadership core on the people by force of arms or by any means that is unacceptable to the masses. A leadership core of the people should only emerge from the people and be chosen by the people themselves. This is the people's most important democratic right. Here we prefer the term "leadership core" because it tells people at first sight that the leaders are among the people and their allies and not separated from them, still less riding roughshod over them. A leadership core should take wholeharted service to the people as its motto. It should also be able to formulate correct lines and policies that suit China's national conditions, and lead the people in their persistent struggle through to complete victory.

In their long struggle of success and failure and repeated comparison, the Chinese people have chosen their own leadership core, namely the CPC. We wholeheartedly agree with what Chairman Mao Zedong said: "Without the broadest united front composed of the vast majority of the whole nation's population, the victory of the new democratic revolution in China will be impossible. What is more, this united front must be under the strong leadership of the CPC. Without the strong leadership of the CPC, no revolutionary united front will win victory." This is a general summary of the experience presented by the victorious Chinese revolution, in the course of which we endured all kinds of hardships. This is also a guideline that the Chinese nation and its united front have to faithfully observe in the new historical period.

- 2. The CPC Central Committee pointed out a few years ago that the united front had better be expanded, as a united front with a limited size will be unfavorable to our work. What a splendid idea this is! Whether a united front is a broad one is a basic criterion to judge whether it is successful. A broad united front will be prospering while a small one will be declining. The reason why an excellent situation in united front work has emerged in our country in the past few years is because, above all, our united front has been expanding. China's patriotic united front includes not only all socialist laborers and patriots who support socialism, but also all the patriots and Overseas Chinese who endorse the idea of reunification of the motherland, but do not necessarily support socialism. The principle of great unity and great unification must be upheld. At the same time, we must be well prepared for new circumstances and problems arising from an expanded united front and handle them properly, so that our patriotic united front can keep abreast of the policy of "one country, two systems," and more efficiently serve the cause of reunification of the motherland and reinvigoration of China. For this reason, we must give full play to the initiative and independence of the different component parts in the united front and, on the other hand, enhance our understanding of the importance of a requisite leadership core for the united front, and carry out these principles resolutely. We must make it clear that China's patriotic united front must operate under the CPC's leadership. In the future, the CPC's leadership over the united front should only be strengthened and not weakened.
- 3. We maintain that the CPC's leadership must be upheld because, after all, the CPC as a whole deserves the people's trust evaluated in light of its whole history. Like other organizations, the CPC exists in a real social environment rather than in a vacuum, and communists, including the leading cadres, are men rather than gods. Therefore they may commit one kind of mistake or another from time to time. maintaining that the CPC's leadership must be upheld, we mean to uphold what has been proved correct rather than what has been proved wrong. So the CPC's leadership will only be strengthened if it upholds truth and sets to correcting mistakes. The very reason the CPC's leadership must be strengthened as well as improved is that improvement of leadership is for the purpose of strengthening leadership, and also because leadership cannot be strengthened without improvement. The CPC has very rich experience, both positive and negative, in exercising leadership over the united front. To cope with new circumstances and new issues emerging one after another, we must continue in everything to proceed from actual conditions, constantly sum up new experience, forsake old conventions, and do our utmost to overcome conservative conceptions. Needless to say, we still have to vigorously clear away the influence of erroneous "leftist" thinking. In our opinion, this is one of the requirements laid on the CPC in its effort to improve its leadership over united front work. The corrosion of capitalism, feudalism, and small producers' behaviorial patterns, will be inevitable in the expansion and in-depth development of united front work.

We must view this phenomenon in the correct light and handle it properly. This is another requirement for the party in improving its leadership. In brief, the CPC needs to make efforts to improve itself in united front work so that its leadership can be constantly upgraded. We believe that brighter prospects will surely emerge in our country's united front work so long as the CPC and all related departments can adhere to the principle of "long-term coexistence and mutual supervision" and that of "treating each other with all sincerity, sharing each other's weal and woe." They should implement these principles in building the socialist democracy and legal systems, do more practical work, and emphasize practical results.

#### REMMIN RIBAO ON OPENING UP, CIVILIZATIONS POLICY

HK260845 Beijing RENMIN RIBAO in Chinese 19 Nov 86 p 1

[Commentator's article: "Opening to the Outside World Is Also Applicable to the Building of Spiritual Civilization"]

[Text] The resolution adopted by the 6th Plenary Session of the 12th CPC Central Committee points out: "As a basic, unalterable state policy, opening to the outside world applies to the building of material as well as spiritual civilization." This is a definite, brilliant conclusion and also a principle we should make great efforts to understand in the course of building spiritual civilization.

Material and spiritual civilization cannot be separated, each permeating and promoting the other. It is inconceivable that civilization can be evenly divided into two parts, material and spiritual, and that material civilization can be imported and spiritual civilization can be produced and used domestically. Similarly, we must not think that in foreign countries there is no spiritual civilization to speak of. Instead of being the patent of a particular school of thought, spiritual civilization is the product of interchanges between different nations, and the crystallization of outstanding human As a new state of human cultural development, socialist spiritual civilization should critically carry on all civilized traditions in human history. Some developed countries have rich experiences in building a material civilization, as well as the experience of building a spiritual civilization, which are worthy of our attention. In discussing the supreme achievements of capitalist civilization, writers of Marxist classic works called some capitalist countries, in Europe and America, the civilized countries. Freedom, democracy, equality, and humanism are manifestations of achievement in capitalist countries' spiritual civilization. It must be clearly stated that the achievements of spiritual civilization in capitalist society are not necessarily bourgeois, such as respect for women, always keeping forging ahead; loving science, and paying attention to efficiency, are worth studying and using as reference. As far as moral principles and concepts are concerned, every society has "the simple requirements of morality and justice which should be followed by people in their relations with others" as Marx said or, social morality in our terms which includes observing social order, stressing civility and courtesy, and paying attention to public hygiene. There are no class boundaries in social morality. Capitalist society offers a lot worth our study in this aspect. In building socialist spiritual civilization, instead of indiscriminately and flatly rejecting acceptance of the achievements of mankind's spiritual civilization, we should master the world's advanced science and culture with great determination, including those in capitalist countries, and incorporate and further develop them in our practices, while discarding their capitalist, ugly and decadent aspects.

Modern and Chinese history have shown that it will be impossible for a country or a nation to achieve development and make progress if it refuses to accept advanced exotic science and culture. National seclusion is both an indication of the backwardness and ignorance of a country or nation and a cause for it. On the contrary, in using things foreign, we should regard them as captives, ordering them about without the slightest hesitation and ultimately mastering them. This is the way to make our country prosperous and our people spiritually sound. The flourishing age of China's Tang Dynasty and Japan's Meiji Restoration are cases in point. History and practice tells us that neither will it work to build material civilization behind closed doors, nor will it serve the purpose of building spiritual civilization in such a way. No doubt opening to the outside world is good for putting an end to the backward economic situation, but it will also be good for changing people's ideas and concepts. think. The concepts of time, efficiency benefit, competition, enterprising attitude, striving for the best, information, knowledge, value, technological progress, investment in intellectual resources, and development of talent, concepts which have been universally received by the Chinese people in recent years, are related to opening to the outside world in one way or another. The thrashing of many backward and ignorant traditional concepts is attributed to opening to the outside world.

Looking back on the course of opening to the outside world over the last few years, we can see that China is opening its doors bit by bit in areas proceeding from science and technology, managerial expertise, to ideology and culture. In the wake of opening to the outside world, some problems which many people were previously worried about have either not appeared or have been quickly solved. Some specific individuals failed to resist the inroads of bourgeois ideas in executing the opening up policy. The policy is not responsible for this state of affairs, exactly the reverse. This only shows that China was closed to the outside world in the past and lacks basic abilities in adapting to the rest of the world. It will not do for China to close its doors again. Problems emerging in the opening can only be solved in the course of opening up.

Modern scientific theory tells us that the internal departments of a closed system will become increasingly chaotic, and the case with an open system will be exactly the opposite. This theory has been applied successfully in the study of social developments. Socialist spiritual civilization is also an open system. It can retain its youthfulness only in the course of opening to the outside world. Under this open system, China should integrate itself into the world in terms of spiritual civilization and learn from others' strong points to offset its weaknesses, to develop itself, and to promote one another. It should make its own contribution to mankind as a nation with a population of 1 billion people. "All the rivers run into the sea, yet the sea is not full." Opening to the outside world will surely infuse fresh vigor into socialist spiritual civilization.

#### RENMIN RIBAO ON DEEPENING RURAL REFORMS

HK280750 Beijing RENMIN RIBAO in Chinese 25 Nov 86 p 1

[Editorial: "Deepening the Rural Reforms"]

[Text] After analyzing the situation, the central rural work conference held recently studied and defined the new tasks of rural work. Of the many tasks to perform, which is principal? Reform is principal. Only when reform is adhered to and carried forward can the replacement of the old structure by a new one be accomplished and can the self-supporting and semi-self-supporting economy move to a planned commodity economy.

The rural reforms begun in the late 1970's heralded the social revolution carried out under socialism in China. The progress of the reforms has proved that reforms are the locomotives of modern Chinese history. In 7 years or more of reform, the Chinese countryside has been advancing by leaps and bounds. This year is another bumper harvest year for China. The secondary and tertiary industries are continuously developing. A new situation has been created in helping poverty-stricken areas shake off poverty and gain prosperity. The commodity economy has become enlivened. Over the last few years, with the establishment of a system of contracted responsibilities on the household basis with payment linked to output and the opening of commodity economic markets, thousands upon thousands of peasants have obtained decisionmaking power in production and operations, enthusiastically carried out production, participated in the circulation sector, and engaged in various diversified undertakings, thus shattering the economic structure characterized by longstanding adherence to a pattern of stressing a single product and a single economic sector and by separating the cities and villages. Hence, a new economic pattern of stressing multiple economic sectors, various forms of operation, and development of diverisified undertakings has begun to take shape and the rural economy, which has changed significantly, has become the most vigorous and dynamic sector in our country's economic life. The situation now is that the old economic structure has just been smashed but it continues to function while the new one is in the process of formation and therefore still not perfect. If we liken this to building a house, we have just finished the groundwork and erected some frames. The house is far from completion. As far as the basic objective of changing the natural economy into a modern, planned commodity economy is concerned, rural reforms still have a long way to go.

A decisive step was already made in reforming the rural system of unified and fixed purchases by the state in 1985. This marked that the second-step rural reforms had begun. At the beginning of this new stage of reform, we were confronted with many unforeseen problems, such as that the just loosened controls over some farm produce prices were retightened, barriers between different localities were erected one after another, imbalance between the supply and demand of some products was serious, and residents in big cities became highly sensitive to food price hikes. How should we approach these problems? How should we grasp the characteristics of the rural reforms in this new phase and what countermeasures should we take in this regard? comrades take great interest in these problems. Generally speaking, rural reforms are in a period of transition in which new and old economic structures coexist and are bound to collide. In deepening the rural reforms, our aim is to change the old structure's longstanding pattern of interest. This cannot but lead to various contradictions. These contradictions among the people need careful and skillful handling; therefore, on no account must we act with undue haste in this regard. To absorb market mechanisms and to move from the stage of self-supporting and semi-self-supporting economy to that of commodity economy, the rural economy must undergo a process of development, a process of gradual advance and accumulation different from the situation in which the first-step rural reforms were carried out in a comprehensive way at one stroke. In deepening the rural reforms, we must consolidate, substantiate, and improve what we have achieved in the first step of rural reforms on the one hand and blaze new trails and remove all obstacles confronting the second-step rural reforms on the other. These reforms should be carried out hand in hand with the urban economic structural reform and political structural reform. All this indicates that deepening the reforms in the rural areas is a complex and long-term task. It will take longer than expected.

The rapid development and great success of the first-step rural reforms gave some comrades a false impression that breakthroughs in reform could readily be attained one after another and that we could make a success in deepening the reforms without making an effort. [paragraph continues]

Realizing the fact that the second-step reforms, crammed with numerous frictions, need to tackle knotty problems but that slow progress has been made in this regard, some comrades were at a loss, not knowing what to do and even wanted to backtrack. This is the manifestation of an inadequate understanding of the new characeristics of the rural reforms curently developing in depth. Although there are difficulties confronting the reforms, a new structure is taking shape with an irresistible force. We must not expect the reforms to be accomplished at one stroke, and we have no reason to beat a retreat in the face of difficulties. The numerous new problems currently exposed in the course of reform just serve as a window for us to study contradictions and will help us deepen our understanding, readjust and substantiate our policies, methods, and measures so that they will become more adaptable, and formulate new policies and methods. For example, the reform of the system of purchasing and marketing grain is aimed at removing the rigid controls over grain purchases and sales but conditions are not yet ripe for complete abolition of controls over grain prices. Therefore, at present it is more appropriate to adopt a transitional "double-track" system under which rational amounts of grain purchased according to contracts will be set and the scope of unified grain purchases will gradually be reduced and that of grain purchases and sales at negotiated prices expanded. In this way the interests of the peasants and city dwellers can be taken care of and the objective of commercialization attained. In brief, reform calls for effecting a breakthrough and to do so needs the blazing of new trails. We should not turn about and follow the beaten track just because we come across new problems. The complexity of rural reforms demands more solid and painstaking work from our leaders and cadres. Now, work in many fields remains at the stage of general discussions and theorizing. This state of affairs must resolutely be changed. Deepening the reforms calls for both destruction and construction and construction demands meticulous organizational work and efforts to give a more scientific definition to the new structure.

Generally speaking, the Chinese countryside, currently still in a stage of development, is underdeveloped. It has great potentials in reform and development. So long as our policies are correct, there will be bright prospects for our rural areas. At present, although we are confronted with various difficulties in carrying out the reforms, we still have striking, favorable conditions in this aspect. We must accept any new challenges, carry out the rural reforms in a bold, properly guided, and intensive way, and create conditions to scale new heights in rural economic development.

#### PLA HOLDS MILITARY EXERCISE IN NORTH CHINA

OW241151 Beijing XINHUA Domestic Service in Chinese 0028 GMT 20 Nov 86

[By reporter Zhao Su]

[Text] Beijing, 20 Nov (XINHUA) -- A mechanized Army group exercise recently conducted by the PLA somewhere in north China demonstrated the Chinese Army's new look and enhanced capability to safeguard the motherland after it had reduced its size, reorganized its troops, and undergone structural reforms.

Appearing in front of this reporter was a new combined battle array formed by various arms of the services. There were a few hundred camouflaged tanks, armored cars, self-propelled artillery, rocket mine laying cars [huo jian bu lei che, 3499 4628 1580 7191 6508] rocket mine sweeping cars [huo jian sao lei che, 3499 4628 2217 7191 6508] tank-launched bridges, armored ambulances, and various engineering and construction vehicles. In addition over a thousand transport trucks, staff cars, and communications vehicles covered with camouflage nets were aligned in good order in the assembly camp.

These vehicles were all designed and manufactured in China. During the maneuvers, which lasted for several days, these vehicles also served as living quarters. Soldiers could encamp at any time, any place so they did not have to live in the open during the exercise. Battlefield kitchens kept cooking squads from having to cook in the open air.

The "red army group" began its counterattack exercises. An iron flood, formed by various kinds of battle vehicles, overwhelmingly threw itself on the "blue army group." "The red army's" fighter planes, bombers, attack planes, and artillery simultaneously opened fire at the "blue army group's" positions in order to provide cover for infantry attacks. When an advance party of soldiers approached the "blue army group's" defenses, various kinds of individual rocket explosion devices [dan bing huo jian bao po qi, 0830 0365 3499 4628 3615 4275 0892] of the "red army group's" sapper teams were detonated to clear the barriers and pave the way for the "red army group's" assaults. The "blue army group" was suddenly put under the three-pronged attack of the "red army group."

This reporter then went to the army group's automated command center. There I saw the flickering neon lamps of microcomputers, and communication lines stretching to forward positions. In the operations room, commanders wearing helmets and anti-chemical-warfare suits were briefed by the army group's chief on the relative military strength of each side. The commander of the army group passed a remote control button, and the topographic features, roads, topographical markers, and strong points of the "blue army group's" positions and deep areas clearly appeared on a large screen. His oral battle orders were also shown on the screen word by word, and at the same time printed out by microcomputer operators. It took only slightly more than 10 minutes from issuing the orders to transmitting them out.

According to the officer, 80 percent of military documents regarding the exercise as well as the battlefield situation were analyzed and processed by microcomputers. the chief of the army group could directly converse with any fighting unit in the forward positions so that he could coordinate various arms of the services in order to form a massive collective attacking force.

It was learned that commanders at army, division, regiment, and brigade levels commanding the army group's exercise ranged in age from 50-plus to 30-plus, and most of them were trained at military academies. According to military experts, orders were basically correctly issued, military operations were basically rational, and coordinating work was properly carried out in organizing and commanding the exercise.

#### STUDY OF MODERN MILITARY HISTORY EXAMINED

HKO20717 Beijing RENMIN RIBAO in Chinese 28 Nov 86 p 5

[Article by Zhang Yiwen (1728 0001 2429) and Shi Duqiao (2457 3256 2890): "Strengthen the Study of China's Modern Military History"]

[Text] China's modern military history is an important component part of modern Chinese history. Almost all major historical incidents in modern Chinese history are related to military affairs. Therefore, making a thorough study of China's modern military history not only has military value but also plays an important role in deepening the study of modern Chinese history.

This historical phase focused on the study of China's modern military history is a very important historical period in the history of China's military development and is also the only bridge between China's ancient military history and the country's contemporary military history. In the past, due to the fact that modern military affairs always related to the failures of the Chinese people's wars against foreign aggressions, people were always in a sad and dispirited frame of mind when studying this historical period. It seemed to them that study of this phase of military history did not have much value. It is true that during this historical period, the government of the Qing Dynasty suffered many setbacks and failures and the Chinese nation was subjected to pain and humiliation caused by big powers' invasions. However, it was just during this process that the Chinese people began to gradually awaken and the Chinese military affairs began to transform and move ahead during the sharp social upheavals. If we contrast the Opium War with the Revolution of 1911, we can easily see that during this period lasting 70 to 80 years, there had been tremendous changes in China's weaponry, military organizations, compositions of officers and men, modes of operations, and military thought. These changes were actually deeper than the changes in the previous 700 to 800 years. When we see such tremendous changes in Chinese military affairs, we will recognize the value and significance of studying this historical period and draw beneficial lessons from it.

In comparison with the current researches on China's modern political history, modern economic history, modern cultural history, and modern history of foreign relations, the study of China's modern military history is still a weak link, much foundational work and many issues remain to be carried out and further explored, and some areas remain to be opened up to fill certain gaps. There are both objective and subjective reasons for this state of affairs. But the study of military history in the nature of a marginal course is undoubtedly an important factor causing the current state of affairs. Comrades engaged in the study of history always flinch from embarking on the study of military history on the ground of not knowing military affairs. Comrades with knowledge of military affairs are always awed by the study of military history due to their unfamiliarity with history. Now is the time to break through this kind of barrier and eliminate the sense of mystery. Some comrades' practices have proved that provided comrades engaged in the study of history are determined to study military history, they will surely be able to get a good grasp of military affairs and will surely achieve successes in the study of military history. Practice has also proved that provided comrades with certain military knowledge are determined to study military history, they will surely be able to achieve successes in the study of military history too. The key lies in determination and willpower. It is not difficult to learn the rudiments of the subject and it is also entirely possible to study it intensively and in depth and to achieve successes in the study.

China's modern military history has very substantial content. The study of this branch of learning is undoubtedly a systematic project. Although China's modern military history is only a subsystem of the modern history of China, it is a major system to its subsections such as the history of army building, the history of wars, the history of military technology, and the history of military thinking. The study of such a major branch of learning should go through a process of proceeding gradually from the easy to the difficult and from the outside to the inside. In connection with the conditions of China's modern military history, the study should be conducted through the following five levels or steps: 1. Compiling a chronicle of events — we should understand fully and arrange various modern Chinese military activities in order of importance to provide a scientific and reliable basis for the study and compilation of a complete modern military history of China. [paragraph continues]

2. Compiling basic historical data -- we should carefully select, sort, collect, and publish all relevant historical data concerning modern military systems, modern military industries, modern military education, and modern military thinking, to provide a solid material base and convenient conditions for the study of China's modern military history. 3. Conducting monographic studies -- historians both inside and outside the Army have conducted many monographic studies, scored impressive achievements in this field, and provided many valuable basic source materials for the study of China's modern military history. The current tasks are to fill a few gaps, replenish weak links, and conduct monographic studies on military issues of relatively strong professional characteristics. 4. Conducting specialized historical studies --China has so far published only one comprehensive modern history book in a specialized military field, entitled "The Modern History of Chinese Warfare" [Zhongguo Jindai Zhanzheng Shi 0022 0948 6602 0108 2069 3630 0670]. There are still no other comprehensive modern history books in specialized military fields, such as the modern history of Chinese military systems, the modern history of Chinese weaponry, the modern history of Chinese military figures, and the modern history of Chinese military thinking. In view of the existence of a definite foundation of monographic studies, writing specialized history books should be placed on the agenda. 5. Studying and writing a modern military history of China -- a modern military history of China is definitely not a simple collection of various specialized history books. In writing a modern military history of China, we should stand on a high plane of the modern history of China deeply analyze and study modern military activities carried out by various classes and the activities' internal relations on the basis of various classes and the activities' internal relations on the basis of various specialized history books, strive to explore and bring to light the laws governing the modern military movements in China, and make a theoretical summarization.

The study of China's modern military history is a gigantic and arduous task requiring joint efforts by old, middle-aged, and young historians. To fulfill this task, we must now carry out work in the following three aspects: First, we must establish as quickly as possible a society for the study of China's modern military history and map out plans for organizing comrades engaged in the study of modern military history in different parts of China on various fronts to promote division of labor and cooperation. Second, current research on China's modern military history must focus on studies in specialized fields. Historians who are resolved to study military history should work in connection with the unified planning and the weak links in the current research on modern military history and write a number of specialized history books with full and accurate historical data and sound reasoning to lay solid foundations for writing a modern military history of China during the next stage. Third, we must train a number of qualified personnel in the study of modern military history.

We believe that if the work in these three aspects is carried out, the study of China's modern military history will enter an entirely new phase.

## HOUSING SURVEY SHOWS LIVING CONDITIONS INADEQUATE

OWO21440 Beijing XINHUA in English 1119 GMT 2 Dec 86

[Text] Beijing, December 2 (XINHUA) -- A nationwide survey shows that while 91 percent of the homes in China's cities and towns were built in the last three decades, living conditions are still inadequate.

The survey shows that 30.5 percent of the existing houses don't have kitchens, 27 percent have no running water and 66 percent have no toilets. Presently, all these necessary living facilities are replaced by some other measures.

The survey was jointly conducted by the Ministry of Urban and Rural Construction and Environmental Protection and the State Statistical Bureau. The statistics show the amount of living space for many families has increased since the founding of new China in 1949. The minister of urban and rural construction, however, admitted as many as 10.54 million urban families still lack shelter.

At the end of last year, there were 4.676 billion square meters of housing in China's cities and towns, an average of 6.36 square meters per person.

The results of the survey were released today by Ye Rutang, minister of urban and rural construction and environmental protection, at a press conference.

Ye Rutang said, housing conditions are a serious problem and it will take more effort and time to improve the living conditions of urban residents.

The survey, started last July, investigated the living conditions of 150 million urban residents in 28 provinces, autonomous regions and municipalities directly under the central government.

According to the survey, 51 percent of the houses, with a total floor space of 2,385 billion square meters, belong to various government departments.

Ye Rutang noted that the survey provided a comparatively accurate and dependable data for the development of national economy and society, housing management and construction.

# RULES ON RESIDENT IDENTITY CARDS DISCUSSED

HKO30827 Beijing RENMIN RIBAO in Chinese 28 Nov 86 p 4

[Commentator's article: "Important Rules on Implementation of the Resident Identity Cards System"]

[Text] The "Rules for Implementation of the Regulations of the PRC on the Resident Identity Cards System" adopted by the State Council and promulgated by the Ministry of Public Security is another important administrative ruling following the "Regulations of the PRC on Resident Identity Cards" as well as the specific standards for our resident identity cards management work. Its promulgation and implementation are significant in terms of implementing the regulations on resident identity cards.

The rules have made the regulations more concrete, and reaffirm further and specifically clarify the regulations' basic principles and essence, and clearly state a complete set of procedures, methods, and requirements from application to the management of resident identity cards. Therefore, the masses have got a deeper and clear idea about the requirements for applying for resident identity cards, organs that receive applications, application procedures and how to use the cards, how to renew and apply for reissue of cards, and how to treat the examination.

The rules emphasize that to issue resident identity cards is an important work of China's household management system. Therefore, we should implement the principle of making things convenient for the masses and practiticing scientific management. The resident identity cards are the statutory identity document of the state. [paragraph continues]

The cards, which should be in a centralized pattern, should be issued in a centralized way by law enforcement agencies and can be used nationwide and comprehensively. In addition, the cards should be convenient to carry and use, difficult to counterfeit, and legally effective in identifying the status of residents. At the same time, we should number in a centralized way across the country each card for each person. This helps the application of modern scientific and technological means for administration and the provisions of population information, to serve the whole society.

China has over 2 years' experience in implementing the resident identity card system. At this moment, over 80 cities, including Beijing, Shanghai, Tianjin, Guangzhou, Wuhan, Shenyang, Chengdu, Chongqing, Xian, and Kunming, as well as some special economic zones and border areas, have issued resident identity cards to over 40 million residents. When picking up mail, purchasing air tickets, lodging in hotels, consigning articles for sale on commission, and registering marriages, the residents have begun using their identity cards. Through the resident identity cards, the public security organs solved many criminal cases through the administrative work of examination, thereby effectively hitting at crimes and protecting the people. As many administrative and supervisory departments attach great importance to the role of resident identity cards, they have made their work easier and have improved their efficiency. The resident identity cards have played and are playing an important role in making things more convenient for people in their daily life, in safeguarding people's legitimate rights, and in maintaining social order. The masses urge use of the resident identity cards in a more comprehensive way in various sectors and to give play to their role. The formulation and promulgation of the rules have provided the legal guarantee for correctly using and administering the resident identity cards. Each resident should voluntarily observe the regulations and the rules. They should be active in submitting applications and properly handling and correctly using the cards.

# JOURNAL DISCUSSES PROVINCIAL-LEVEL DISMISSALS

HK010801 Hong Kong KUANG CHIAO CHING in Chinese No 170, 16 Nov 86 pp 18-20

[Article by Kuo Te-ming (6753 1795 2494): "The Inside Story of the Case of Ni Xiance and Huang Huang -- Huang Huang Is Replaced by Li Guixian as Provincial CPC Secretary of Anhui Province and Ni Xiance Shields His Mistress Who Committed All Kinds of Outrages in Hong Kong"]

[Text] The Inside Story of the Cases of Ni Xiance and Huang Huang [subhead]

Anhui Provincial CPC Secretary Huang Huang and Jiangxi Provincial Governor Ni Xiance have been dismissed in succession because of serious errors. Following the 8,000-person meeting convened in Beijing at the beginning of this year announcing catching tigers in the Year of the Tiger, notwithstanding that several important and major cases have been publicized, the cases which have been revealed have tended to become less and less important and the ranks of the officials involved have tended to become lower and lower. Meanwhile, surprisingly, even though the main characters involved in the cases of Huang Huang and Ni Xiance are all important leading cadres at the provincial level, the two cases do not seem to have been included in the list of major and important cases.

Recently, I learned that Huang Huang was dismissed from his post as provincial CPC secretary of Anhui Province as early as April this year. However, as this information had never been openly released, people in Hong Kong and foreign countries learned about it only from the exclusive report of KUANG CHIAO CHING in September. Although the news about the dismissal of Ni Xiance from his post as governor of Jiangxi Province had been once preliminarily reported by a news agency on the mainland by the end of September, it also stopped half way and gave no details later on.

The Errors Committed by Ni Xiance and Huang Huang Are All Related to Hong Kong [subhead]

Recently, I went to visit the mainland. Following an exhaustive investigation, I learned that an official in Shanghai. [sentence as published] With the approval of Huang Huang, this official of Anhui Province accepted the task. They adopted a roundabout method of maneuver. They first transferred the applicant from his original place of residence to a place in Anhui Province and then approved his application to go to Hong Kong. After this was done, a person in Hong Kong gave him a car and some other things too. This is the general story of these two cases. [as published] So, the mistakes committed by these two important provincial officials are all related to Hong Kong.

By the end of September, newspapers in Hong Kong were carrying reports that the NPC Standing Committee of Jiangxi Province had placed the discussion of the serious mistakes committed by Ni Xiance on its agenda. However, there were neither detailed reports about the nature of the mistakes by Ni Xiance nor the results of the discussion.

The Case of Ni Xiance Was Not Reported by any Newspapers in Beijing [subhead]

During the last 10 days of October, when I was in Beijing, I purposely leafed through all the newspapers published in Beijing, ranging from RENMIN RIBAO to ZHONGGUO FAZHI BAO, but I could not obtain any detailed reports about the dismissal of Ni Xiance.

The "Six Major Crimes" of Ni Xiance Spreading in Shanghai [subhead]

After I left Beijing for Shanghai, I found that several newspapers in Shanghai had carried reports about the dismissal of Ni Xiance. However, their source of information was not the XINHUA NEWS AGENCY but, instead, my special report. As for what exactly are the mistakes of Ni Xiance, none of these newspapers gave any details.

Through contacting people of various circles, I finally managed to read in the home of a well-informed person a document issued in Nanchang. This document lists six crimes of Ni Xiance: First, he is morally degenerate and depraved. Second, he abandons principles and abuses his powers. Third, he practices favoritism and shields smugglers. Fourth, he divulges secrets and spreads rumors. Fifth, he joined the part by making rebellions during the "Cultural Revolution." Sixth, he persists in his mistakes and resists investigation. However, as under these six labels, no facts were cited and people still do not know exactly what has been going on.

Moreover, the crime that "he joined the party by rebelling during the Cultural Revolution" is also very surprising. Ni Xiance is one of the members of "the third echelon" who were chosen not long ago. If he had been a typical rebel during the Cultural Revolution, he should not have been chosen at all. So, the performance of the same Ni Xiance during the Cultural Revolution did not cause any problem in promotion but became a problem in dismissal. Why?

Huang Huang Takes Bribes From Applicants for Going to Hong Kong [subhead]

Although I did not learn much about the details of the dismissal of Ni Xiance, I learned a lot about the mistakes of Huang Huang. It is said that the main mistake of Huang Huang is taking bribes from applicants for going to Hong Kong. A person in Hong Kong wanted to get a relative (a friend, some people said) to immigrate to Hong Kong. Failing to get approval in the place where he lived because he was unqualified, this relative of the Hong Kong person tried to succeed in Shanghai. As one of the officials thought it was not easy to obtain in Shanghai, he suggested he go to Anhui with handsome gifts. Another version of the story is that the official in Shanghai involved in the case is Yu Tiemin, the secretary of Chen Guodong (the former CPC secretary of Shanghi Municipality). The case of Huang Huang taking bribes from applicants for going to Hong Kong was revealed as a result of investigating and handling the case of Yu Tiemin. It is said that a vice mayor of Shanghai is probably also involved in the case of Yu Tiemin. In addition there are also some other rumors which sound outrageous. I do not want to talk about them in this article. One of the reasons for the starting and the extensive spreading of these sensational rumors is that the events were not promptly and openly reported. The rule of the news media is that "even if the big channels are blocked, the small channels also work." This is something which the decisionmakers of journalistic policies on the mainland should think about!

It so happened that I got the inside story about the dismissal of Ni Xiance while flying from Shanghai to Guangzhou. The person who sat next to me during the flight is a native of Jiangxi Province. Being a responsible person of a certain enterprise in Jiangxi Province, he was very "talkative" and soon changed the topic of conversation to the case of Ni Xiance. As it seemed that he was not only familiar with the relevant situation but also pretty dissatisfied with the newly dismissed provincial governor, I raised some questions on the case. He gave me some very clear answers.

Ni Xiance Shields his Mistress' Moneymaking in Hong Kong [subhead]

He said that Ni Xiance is from Gaomi County of Shandong Province. He once worked in the Dayu Iron and Steel Plant and later became director of the plant. "He is very cunning indeed and has a particular set of methods for currying favor with officials at the upper levels." After establishing a working relationship with former Jiangxi Provincial Governor Zhao Zengyi, he soon won his appreciation. "Very pleased with his flattery, the old man Zhao regarded him as a rare talented person." He promoted him to vice provincial governor several years ago and recommended him as a provincial CPC secretary when deliberating on the list of candidates for membership from the provincial CPC Committee in an effort to replace the old with the new last year. Due to the resolute opposition of the then first secretary of Jiangxi Provincial CPC Committee, Bai Dongcai, the central authorities decided to appoint Wan Shaofen as secretary. Ni Xiance was elected provincial governor in June 1984.

"This chap is an ambitious, mean person," said this native of Jiangxi Province indignantly. Failing to become the top leader of Jiangxi Province, Ni Xiance often made trouble with Wan Shaofen by counteracting her efforts, resulting in unnecessary losses in the work of Jiangxi Province.

Ni Xiance had a mistress whom he sent to be stationed in Hong Kong after he achieved a meteoric rise. "Specializing in dishonest practices, this crooked woman and Ni Xiance make a perfect pair," this Jiangxi native said. As soon as she came to the "dazzling world" of Hong Kong, she became facinated. To unscrupulously make money, she did many illegal things in violation of state interests. For example, she made illegal changes in the prices of commodities, revealed economic secrets, and even teamed up with lawless persons to engage in smuggling. Ni Xiance knew all about this but always tried to cover up her activities and even provided her with every convenience through his post and power. "In fact, this chap worked in partnership with that woman."

The activities of the mistress of Ni Xiance were soon discovered by the departments concerned. However, under the protective umbrella of Ni Xiance, she was not frightened and did not restrain herself. Of course, in the investigation, Ni Xiance was found to be involved in the case. Nevertheless, "as this chap had teamed up with some people and thought that he was very secure and nobody could displace him, he still acted arrogantly." In spite of being investigated, he still went abroad to make inspections in an ostentatious manner.

Precisely because of this, the issue had to be reported to Beijing. After investigation, the State Council made a decision to dismiss Ni Xiance from the post of provincial governor. Afterwards, the NPC Standing Committee of Jiangxi Province finally passed a resolution to dismiss him by the end of September. "It was not an easy task to topple him!" sighed this native of Jiangxi following his introduction.

You can wear out iron shoes in fruitless searching, and yet by a lucky chance you may find what you are searching for without even looking for it. Regarding the inside story of the dismissal of Ni Xiance, this enthusiastic native of Jiangxi provided me with much information which is even unknown to many news organizations.

Acting Jiangxi Provincial Governor Wu Guanzheng [subhead]

When dismissing Ni Xiance, the NPC Standing Committee of Jiangxi Province passed a resolution appointing the former mayor of Wuhan City acting provincial governor. Being a rather famous "star of tomorrow," Wu Guanzheng was born in 1938 and is from Yugan of Jiangxi. From 1959 to 1965, he studied in the Department of Dynamics of Qinghua University. After graduation, he took a 3-year postgraduate course there. He went to work in Gedian Chemical Plant in Wuhan in 1968 as a technician and later became a responsible person of the plant. In 1975, he worked as deputy director of the Scientific and Technological Committee of Wuhan City and was also concurrently director of the Scientific and Technological Engineering Center of Wuhan City. Not long after, he was elected as a standing member of the city CPC Committee. After 1983, he was elected secretary of the CPC Committee and mayor of Wuhan City. On becoming mayor of Wuhan, he opened the first urban vegetable market in the country and allowed the peasants to directly go to the urban areas to sell vegetables, removing the long-standing insurmountable "difficulty in buying vegetables" in Wuhan City. Afterward, he organized some brain trusts involving experts in every field to offer suggestions for the construction of Wuhan, thus making quite a few contributions. He also often makes "inspections in civilian clothes." On one occasion, after he was unjustifiably humiliated by the attendants at a passenger wharf, he made a public self-criticism for being unaware, as a mayor, of the serious extent of the bad service attitude in the city. He decided to adopt some effective measures to resolve the issue. As for the attendants who humiliated him, he did not punish them but educated them to improve their service attitude. As this story was once extensively covered by the newspapers and journals on the mainland, he became a well-known figure in the whole country.

Li Guixian Becomes Secretary of the Anhui Provincial CPC Committee [subhead]

The person who replaced Huang Huang as secretary of the Anhui Provincial CPC Committee is former secretary of the Liaoning Provincial CPC Committee Li Guixian. Fifty-nine this year, he once studied in Mendeleyev Chemical College in Moscow. After returning to China, he engaged in technical work for a long time and once worked as chief engineer of an electronics factory. According to introduction, this engineer is not only a man of action who is versed in vocational work but also a commander who is capable of mastering situations as a whole.

Li Guixian has been in Anhui for nearly half year. It is said that the opinions of people of various circles there about him are not bad. Wu Guanzheng has just gone to Jiangxi and is now familiarizing himself with the conditions. Of course, as for whether they can score wonderful achievements in their new posts, poeple still need to wait and see.



# GUIZHOU LEADERS AT FORUM ON LINKS WITH MASSES

HK260554 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 24 Nov 86

[Excerpts] The provincial forum on handling people's letters and visits which concluded yesterday [24 November] demanded that all prefectures and departments further strengthen the work of handling people's letters and visits. Attending the forum were leading comrades including Hu Jintao, secretary of the provincial party committee; Wang Chaowen, deputy secretary of the provincial party committee and governor; Ding Tingmo, deputy secretary of the provincial party committee; Liu Hanzhen, secretary of the provincial Discipline Inspection Commission; and Zhou Yansong, vice chairman of the provincial People's Congress Standing Committee. At the forum, Ding Tingmo said: Doing well in dealing with people's letters and visits is beneficial to achieving stability and unity in society, provides a harmonious and stable social environment for reform, opening up, and economic construction, is beneficial to people carrying democratic supervision of state organs at all levels and of their working personnel so as to promote the basic improvement of party style and the general mood of society, and is beneficial to the party and government organs gathering information so as to understand the will of the people and to improve their work. Leaders at all levels must regard the work of dealing with people's letters and visits as an important matter and grasp it firmly and well.

Ding Tingmo also emphatically pointed out that leaders at all levels must personally handle important problems and cases of handling people's letters and visits. Cadres in charge of the work of handling people's letters and visits must have a high degree of political responsibility, be enthusiastic, fear no trouble, seek truth from facts, work impartially, speak out from a sense of justice, strive to do practical and good work for the masses, and live up the expectations of the party and people.

This forum was jointly held by the general offices of the provincial party committee, provincial People's Congress, and provincial government. [passage omitted] The forum also commended 14 units, including Tongren Prefecture and Xishui County, which had scored marked achievements in handling people's letters and visits.

# SICHUAN'S YANG RUDAI'S ARTICLE FOR PARTY JOURNAL

HK281128 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 26 Nov 86

[Text] To meet the needs of strengthening party building in the new historical period, the Sichuan Provincial CPC Committee has decided that beginning January 1987, the DANG DE JIANSHE ZAZHI [PARTY BUILDING MAGAZINE], which was originally run by the Organization Department and Propaganda Department of the provincial party committee, will be turned into a comprehensive organ publication of the provincial party committee.

Yang Rudai, secretary of the provincial party committee, has recently written an article: "Run Party Publications Well According to the Requirements for the Overall Arrangements for Socialist Modernization," on the change in the publication of DANG DE JIANSHE. He demanded: DANG DE JIANSHE ZAZHI must strengthen reform itself, carry forward the spirit of opening up a new path and a realistic attitude, constantly improve the quality of the publication, do everything to strengthen party building for the new period and to completely push socialist modernization forward, and serve the grass-roots party organization and the readers.

Comrade Yang Rudao especially stressed: Doing a good job in DANG DE JIANSHE is not merely a matter of a small number of comrades of the Editorial Department. We must implement the principle of running a publication with the door open and relying on the whole party to run a party publication. It is hoped that party organizations at all levels throughout the province will show concern for and attach importance to the publication for the new period, actively write articles for it, reflect the situation, put forward criticism and suggestions, help the publication do well in communications, distribution, and arrangements for the loan of it for the purpose of reading, and give full play to its role in the course of socialist modernization and party building in our province.

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# YUNNAN MILITARY DISTRICT STRENGTHENS LEADERSHIP

HK281100 Kunming YUNNAN RIBAO in Chinese 18 Nov 86 p 1

[Report by Li Xin (2621 9515) and He Wu (0149 2976): "Yunnan Provincial Military District Strengthens and Improves Party Leadership"]

[Text] Yunnan Provincial Military District's party organization at all levels have conscientiously strengthened and improved party leadership; have given full play to the core leadership role of party committees at all levels, the role of the party branches as fighting bastions, and the exemplary vanguard role of the vast numbers of party members; and have ensured that the Armed Forces will do a better job of fulfilling all the tasks of defending and building the border areas.

Since the Yunnan Provincial Military District's party rectification work was initiated at the grass-roots level at the beginning of this year, party committees at all levels have insisted on high standards and set strict demands. They acted strictly in accordance with the higher authorities' demands, organized party members to conscientiously study documents on party rectification, deeply carried out education in party spirit and party discipline, and actively carried out criticism and self-criticism. In close connection with the realities that the Armed Forces hold fast all the year round to their frontier positions where conditions are hard and that they shoulder the heavy tasks of resisting the enemy and defending the border areas, party committees of the Armed Forces have conducted education for the vast numbers of party members in the principle of wholeheartedly serving the people and in the lofty revolutionary ideal, and helped party members establish the firm faith [xin nian 0207 1819] in ardently loving the border areas, in working contentedly in the border areas, and in being ready to dedicate everything to the border areas.

In close connection with the work of reducing troops and reorganizing the Armed Forces, party committees at all levels adopted practical measures to get rid of various unhealthy practices. The Yunnan Provincial Military District party committee and related organs took the lead in checking various unhealthy practices such as improperly promoting people to be cadres, engaging in trade in violation of regulations, giving dinners, and sending gifts. They also strictly abided by the relevant regulations by not accepting any subordinate unit's dinner invitation during their inspection tours, by voluntarily paying the prescribed fares after the use of an official car for handling private affairs, and by not seeking special preferential treatment for their children, relatives or friends. With the impetus given by the provincial Military District party committee and related organs, all their subordinate party committees at all levels strictly put themselves under the supervision of the masses, quickly checked all kinds of violations of discipline, and promptly handled serious violations of the law and discipline in accordance with party discipline and the law.

The Yunnan Provincial Military District successfully fulfilled its party rectification tasks in early November. Through the party rectification, the district has conscientiously strengthened and proved party leadership clearly improved party style, and has given full play to the core leadership role of party committees at all levels, the role of the party branches as fighting bastions, and the exemplary vanguard role of the vast numbers of party members. Under the leadership of party organizations and the vast numbers of party members, the commanders and fighters of the district have worked hard, fought tenaciously in the border areas, and won quite a few victories during the counterattacks against those Vietnamese troops who invaded our country. The district has done a relatively good job of promoting Army management, education, construction, production, and militia building. It has also done well in promoting the Army's revolutionization, regularization, and modernization.

## YUNNAN PARTY PLENARY SESSION CONCLUDES

HK030147 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 2 Dec 86

[Excerpts] The Secondary Plenary Session of the Fourth Yunnan Provincial CPC Committee concluded in Kunming today. The session examined and approved a draft decision of the provincial party committee on studying and implementing the CPC Central Committee's resolution on the guiding principles for building socialist spiritual civilization. It examined and approved in principle draft proposals of the provincial party committee on formulating the province's Seventh 5-Year Plan for economic and social development. The meeting also elected (Bao Yongkang), director of the Organization Department of the provincial party committee, as an additional member of the Standing Committee of the provincial party committee.

The session was held on 2 December. It was preceded by a 7-day preparatory meeting. During this meeting, the participants listened to a report delivered by Pu Chaozhu, member of the CPC Central Committee and secretary of the Yunnan Provincial CPC Committee, on studying and implementing the spirit of the 6th Plenary Session of the 12th CPC Central Committee. The participants studied in conjunction with reality the CPC Central Committee's resolution on the guiding principles for building socialist spiritual civilization. [passage omitted]

The participants also listened to a report by He Zhiqiang, deputy secretary of the provincial party committee and governor, conveying spirit of the national rural work conference, and studied and discussed it. [passage omitted]

In his report, Comrade Pu Chaozhu demanded that the whole party, and especially the leading cadres at all levels, first do a good job in studying the central resolution. They should get a clear idea on the basic concepts of the resolution in the following aspects: 1) Correctly view the important strategic position of building socialist spiritual civilization from the plane of the all-round scheme for socialist modernization. 2) Clearly understand the relationship between building material and spiritual civilization. 3) Uphold the four basic principles and also persevere in reform and opening up. 4) Persevere in unity in construction and correctly handle the various contradictions in socialist society. 5) The fundamental task of building socialist spiritual civilization is to cultivate citizens who possess the four good characteristics and to improve the two qualities of the whole nation. 6) Clearly understand the relationship between the common ideal and the supreme ideal. 7) Understand that ethics is the reflection of the economic base and a product of historical development. 8) Clearly understand the relations between democracy and legal system and between freedom and discipline. 9) Persevere in and develop Marxism. 10) Strengthen and improve party leadership.

Only by truly understanding these basic viewpoints proposed by the resolution, grasping the spiritual essence of the resolution, gaining further understanding from integrating theory with practice, achieving a flying leap in ideological understanding, and avoiding deviations in comprehension and mistakes in practice can we implement the resolution in an all-round and accurate way and spur the advance of building the two civilizations.

In light of the spirit of the central authorities' instructions and in connection with Yunnan realities, Comrade Pu Chaozhu proposed the following eight tasks to be done by the province this winter and next year in building spiritual civilization:

- 1. The current primary task is to organize the cadres at all levels to study the documents in a deep-going and serious way and thoroughly understand the resolution's basic viewpoints and spiritual essence.
- 2. In connection with basic-level party rectification in the urban and rural areas, conduct education in ideals and discipline for the whole party and the whole people.
- 3. Step up education in professional ethics, and correct sectoral malpractices.
- 4. Establish the concept of socialist commodity economy, and bring out and strengthen the people's skill in commodity production.
- 5. Get a further grasp of education and science and technology work, to improve the scientific and cultural qualities of the whole people.
- 6. Do a good job in publicizing the advanced deeds of combat heroes and model figures, and establish a new style of the five loves.
- 7. Concentrate on grasping the building of spiritual civilization in the cities and in medium and small towns at the level of county seat and above.
- 8. Strive to improve the work style of the leading organs, overcome bureaucratism, and improve work efficiency. [passage omitted]

#### YUNNAN COMPREHENSIVE LAND USE PLAN COMPLETED

HK011005 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 30 Nov 86

[Text] The province's first land use plan, the comprehensive land use plan for Zhaotong Prefecture in the lower reaches of the Jinsha Jiang, was basically completed after 2 years of hard work. The provincial party committee, the provincial people's government, the Zhaotong prefectural party committee, and the Zhaotong Prefectural Administration Office have paid serious attention to the land use planning in the lower reaches of the Jinsha Jiang. They have organized over 130 specialists, engineering and technological personnel and cadres to carry out the planning work. After conducting painstaking and meticulous on the spot investigations and scientific survey and carrying out repeated discussions, examinations, and revisions, materials of hundreds of thousands words on the comprehensive land use for Zhaotong Prefecture in the lower reaches of the Jinsha Jiang have now been compiled, thus providing a scientific basis for economic development in this prefecture. The projects of highway and navigation set in the plan are now being carried out vigorously.

# HEBEI CONGRESS STANDING COMMITTEE MEETING ENDS

SK030711 Shijiazhuang HEBEI RIBAO in Chinese 19 Nov 86 pp 1, 3

[Excerpts] After a 5-day session, the 23d Standing Committee meeting of the 6th provincial People's Congress concluded in Shijiazhuang City on the afternoon of 18 November.

During the meeting, the participating members earnestly studied the "resolution" made by the CPC Central Committee with regard to the guiding principles of building a socialist spiritual civilization and the spirit of the Third Plenary Session of the Third Hebei Provincial CPC Committee. They discussed the work of the provincial People's Congress Standing Committee for 1987 and earnestly examined a report on the provincial "provisions" (draft) with regard to the popularization of agricultural technology, the report given by the provincial people's government with regard to the trial implementation of he provincial "provisions" on labor safety and sanitation of industrial and mining enterprises; and the report on the province's work done in helping the poor.

During their discussions, the participating members held that making a success in studying the "resolution" made by the CPC Central Committee with regard to the guiding principles of building a socialist spiritual civilization represents an important task at present. In studying the resolution, efforts should be made to intergrate theories with practice and to guard against studying it as a mere formality. They held that enhancing the building of democracy and legal systems represents an important content in building a socialist spiritual civilization and a fundamental guarantee of bringing about long-lasting peace and order to the country. However, many problems, which have been caused by the influence of feudalistic remains, leftist ideology, and old habits, continue to crop up in building democracy and legal systems. Under such influence, some cadres still lack full understanding of the importance of democracy and legal systems and clear understanding of the character, position, and function of the People's Congress Standing Committee. They are even weaker in their sense of democracy, legal systems, and the motherland. There are still many problems cropping up among these cadres, such as doing things without upholding democracy and according to the law, enforcing the law in a nonstrict manner, and not dealing with the cases violating the law. Such phenomena as giving oral orders instead of following the law, looking down upon the law have often occurred. All of these problems merit our attention and should be dealt with earnestly. [passage omitted]

At the plenum of the meeting held on the afternoon of 18 November, the participating members approved the namelist of some personnel changes.

Wu Qingcheng, vice chairman of the provincial People's Congress Standing Committee, presided over the meeting and delivered a speech. Attending the meeting were Sun Guozhi, chairman of the provincial People's Congress Standing Committee; and vice chairmen of the provincial People's Congress Standing Committee, including Yue Zongtai, Zhang Zhenchuan, Pan Chengxiao, Liu Ying, Zhang Kerang, Wang Yu, and Wang Youhui. Among those who attended the meeting as observers were Zhang Pingdong, president of the provincial People's Court; Liu Zhiqi, chief procurator of the provincial People's Procuratorate; and responsible persons from the departments concerned under the provincial people's government, from various departments and commissions under the provincial People's Congress Standing Committee, and from the People's Congress Standing Committees of nine provincial level cities.

# HEBEI APPOINTMENTS, DISMISSALS ANNOUNCED

SKO30155 Shijiazhuang HEBEI RIBAO in Chinese 19 Nov 86 p 3

[Text] On 18 November 1986, the 23d Standing Committee meeting of the 6th Hebei Provincial People's Congress adopted a new personnel namelist:

Gao Yongtang [6750 3057 1016] was appointed director of the Hebei Provincial Radio and Television Department; and Cao Jinzhang [2580 6855 4545] was appointed director of the Hebei Provincial Economic and Technological Cooperation Office.

Wu Yingcai [0702 5391 2088] was released from his post of director of the Hebei Provincial Radio and Television Department.

# NEI MONGGOL SECRETARY SPEECH AT REGIONAL MEETING

SK011213 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 28 Nov 86

[Text] In his summary speech at the regional meeting of banner and county party committee secretaries, Zhuang Shuguang, secretary of the regional party committee, pointed out: Only when we hold high the banner of unity and construction; grasp the common aspiration of the people by seeking political stability, unity, and wealth through labor; attend to the key orientation of developing animal husbandry through growing grasses and planting trees; emancipate our minds; expand our field of vision; blaze new trails through reform; and pioneer the road of advance, a new situation in which flowers blossom in a riot of color will certainly emerge in the flower garden of Nei Monggol.

Comrade Zhang Shuguang said: Implementing the guidelines of this meeting is a central task at present and during the early days of next year. Party committees and governments at all levels should make a unified plan to firmly implement the guidelines of the meeting, in particular grasping the initial stage of implementing the guidelines of the meeting.

First, we should organize forces to study the guidelines of the meeting in an effort to ceaselessly upgrade the quality of cadres and the level of leadership. The regional party committee has decided to organize cadres to study documents in three fields from the beginning of 1987 in order to master three skills. The first is to study the CPC Central Committee's resolution on general principles for building a socialist spiritual civilization to master the skill of grasping the two civilizations at the same time. The second is to study the basic knowledge of politics and economics to master the skill of guiding the development of the socialist commodity economy. The third is to study the party constitution and the guiding principles for inner-party political life to master the skill of playing an exemplary role in correcting party style and grasping party building. Standing Committee members of the regional party committee should take the lead in studying these documents and play an exemplary role in organizing and guiding cadres at all levels to study the documents. Key leading cadres at all levels should also set an example for cadres subordinate to them to study the documents. During the course of study, we should continue to stress the principle of linking theory with practice, transform the world outlook, solve the practical problems that exist in our work, and strive to improve thinking on implementing the party's principle of seeking truth from facts and the awareness to implement policies and principles, to blaze new trails through reform, and to pioneer the road of advance.

Second, leading cadres should play an exemplary role in strengthening the construction of party style and party organizations first among leading bodies. All party-member cadres, in particular leading cadres of party organizations at all levels, should always remeber that they are Communist Party members, act in line with the requirements of party members, keep themselves within the bounds of party discipline, place themselves in a position under the supervision of the masses to exercise collective leadership, and always play an exemplary role to mobilize, influence, and infect the people subordinate to or around them. Principal leaders of the party committees and governments at all levels, in particular top leaders and second level leaders, should play an exemplary role in abiding by the party constitution and the guiding principles for inner-party political life among people in general.

Conducting education on professional ethics is the key content of the region's spiritual civilization for 1987 as well as a specific measure for straigtening out party style and improving social conduct. To conscientiously grasp it, the regional party committee has emphasized that the party and government organs, in particular the organs under the regional party committee, should play an exemplary role in grasping it. Departments under party committees and governments at all levels should draw up rules for professional ethics in line with their actual conditions. Party committees at all levels should give guidance on conducting education on professional ethics to departments and units subordinate to them. To strengthen the construction of party organizations, in particular the construction of leading bodies at all levels, the regional party committee stressed that we should improve the ideological level, correctness, and principled nature of the party activities; and that the party organizations must perfect the party's organizational activities. In conducting organizational activities, the leaders at all levels should constantly make comparison and examination in two spheres. The first is to make comparison and examination in line with the guiding principles for inner-party political life, in particular the first five requirements set forth in the principles. The second is to make comparsion and examination in line with the demand of stability and unity. Stability and unity is the prerequisite for achieving work in all fields and a situation that the Nei Monggol Autonomous Region should seek. The party committees at all levels, party members at all levels, and the people from higher and lower levels should believe, respect, learn from, support, understand, and encourage each other. Leaders should abide by the law and discipline, be impartial, have a sense of principle, straighten things out face to face, be strict with themselves and broad-minded towards others, take the entire situation into consideration, consciously persist in the principle of being united to make progress, and play an exemplary role in safeguarding and strengthening units

Third, we should do a good job in relaying and implementing the guidelines of this meeting. The general requirement of the regional party committee is that we should act in line with the party's ideological line of seeking truth from facts, proceeding from reality, stressing focal points, and emphasizing practical results. Leaders at all levels should have the responsibility to specifically implement, in association with the actual conditions of the localities and departments, the principles formulated by the higher levels, and to regularly go deep into the grassroots and the masses to ceaselessly and in a timely manner learn and sum up fresh experiences in an effort to guide and promote work in all fields.

Fourth, we should conscientiously study and implement the resolution adopted at the 6th Plenary Session of the 12th Party Central Committee. All localities and departments should conscientiously grasp the study of the resolution, and units from higher to lower levels should formulate plans for implementing the resolution of the 6th Plenary Session of the 12th Party Central Committee and for developing spiritual civilization during the Seventh 5-Year Plan period.

Fifth, we should discuss, implement, and perfect the draft program on developing animal husbandry through growing grasses and planting trees, which is being implemented on a trial basis. This draft program will be submitted to the third plenary session of the fourth regional party committee for approval through strict procedures, and will then be printed and distributed to grass-roots party organizations. In line with the principles set forth in the draft program, the leagues, cities, banners, counties, and the units directly under the regional departments should formulate plans for implementing it.

Sixth, we should select and grasp focal points of work. First, we should grasp key contradictions and solve key problems. Second, we should grasp the work of key areas. Third, we should grasp the transformation of our thinking. Fourth, we should pay attention to the work of leagues, cities, banners, counties, and departments with a focus on that of banners and counties. Fifth, we should grasp typical cases.

Seventh, we should conduct discussions in a massive manner on eliminating poverty, seeking wealth, and attaining the goal of being comparatively well-off. This is an activity of linking a common ideal with practical work and linking cadres with the masses as well as one for the cadres and the masses to conduct self-education. It also embodies the mass line of the party. We should conduct this discussion activity throughout the region next year.

Eighth, we should sum up experiences, commend the advanced, and establish a tendency for learning from typical models. All localities and departments should sum up the experiences in developing animal husbandry through growing grasses and planting trees, and commend advanced collectives and individuals. The regional party committee and government plan to make a decision on disseminating several advanced and typical experiences while the party committees and governments at or above the banner and county level should base on grasping typical experiences to conscientiously sum up experiences, and appraise and commend a group of advanced collectives and individuals emerging from the work of developing animal husbandry through growing grasses and planting trees.

Ninth, we should make good arrangements for the work for this winter and next spring. From now to next May, we should focus on grasping the work of fighting disasters to protect animals and providing for and helping ourselves by engaging in production, and well organize the industrial, agricultural, and livestock production for next spring. Party committees and governments at all levels should consciously strengthen leadership, go deep into the forefront of disaster-fighting work, give specific organizational instructions to the people, and really rely on and mobilize the masses to capture new success in fighting disasters to protect animals and providing for and helping ourselves by engaging in production, and to lay a good foundation for fulfilling the tasks of next year.

#### HONG KONG

## FIFTH SINO-BRITISH LIAISON GROUP MEETS

'Text' of Communique

OW281045 Beijing XINHUA Domestic Service in Chinese 0755 GMT 28 Nov 86

[Text] Beijing, 28 Nov (XINHUA) -- The fifth meeting of the Sino-British Joint Liaison Group issued a press communique here today. The full text of the communique follows:

The fifth meeting of the Sino-British Joint Liaison Group was held from 25 to 28 November 1986 in Beijing. The meeting discussed a number of subjects and achieved positive results.

Both sides noted that it is of great importance for Hong Kong to maintian the stability and efficiency of its civil service. The Liaison Group held a thoroughgoing discussion on the new pension scheme for civil servants and reached full agreement.

The Liaison Group held a further detailed discussion on the legislative aspects of the right of abode endorsement and made good progress.

On the basis of the work done by the sub-group of international rights and obligations experts, the Liaison Group reached agreement on the means for the Hong Kong Special Administrative Region to maintain its associate member status in the International Maritime Organization and on the approach to be adopted toward the continued application of maritime conventions relevant to Hong Kong.

The Liaison Group also reached agreement on how to ensure that the Hong Kong Special Administrative Region would continue to participate in an appropriate capacity in the activities of the International Telecommunications Union and continue to exercise autonomy in its telecommunications services.

The Liaison Group had a useful exchange of views on the role of Hong Kong in the Customs Cooperation Council.

The Liaison Group expressed appreciation for the large amount of work done by the experts of both sides before and during the meeting. The Liaison Group decided that its next meeting would take place in Hong Kong from 17 to 20 March 1987.

#### Group Attends Banquet

OW282122 Beijing XINHUA in English 1629 GMT 28 Nov 86

[Text] Beijing, November 28 (XINHUA) -- Chinese Vice-Foreign Minister Zhou Nan gave a banquet here tonight for both sides to the Sino-British Joint Liaison Group.

In his toast, Zhou said that the five meetings since the establishment of the group have all been held in the spirit of friendship and accommodation and in strict accordance with the Sino-British Joint Declaration on Hong Kong.

He said he had been informed of the progress of the fifth meeting of the group which ended today and had taken note of many new faces in the group. "This shows the scope of our work is expanding," he noted.

"In the days to come," Zhou went on, "no matter whether there is a change in the membership or not, both sides should continue to work in the spirit of friendly cooperation and in strict adherence to the Sino-British Joint Declaration, so as to ensure smooth transfer of power of Hong Kong in 1997 and contribute to Hong Kong's prosperity and Sino-British friendly relations."

British Ambassador to China Richard Evans said that Sino-British relations are now in a good state. Both sides to the Joint Liaison Group have done a lot of useful work. The fifth meeting of the group was marked by professionalism and friendship, he added.

## British Memo on Certificates

HK290554 Hong Kong SOUTH CHINA MORNING POST in English 29 Nov 86 p 2

["Text" of British Memorandum on use of Hong Kong certificates of identity after 3d June 1997 exchanged in Beijing on 27 November at fifth meeting of Sino-British Joint Liaison Group]

[Text] The Embassy of the United Kingdom of Great Britain and Northern Ireland in the People's Republic of China have the honor to refer to the discussions in the Sino-British Joint Liaison Group on the question of Hong Kong Certificates of Identity and related matters and the relevant provisions in Section XIV of Annex I to the Joint Declaration of the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the People's Republic of China on the Question of Hong Kong.

The embassy also refers to the exchange of memoranda between the Embassy and the Ministry of Foreign Affairs dated April 11, 1986.

To ensure that holders of Certificates of Identity will not experience difficulty when travelling abroad in the period immediately before and after 1997, the Hong Kong Government will continue to issue Certificates of Identity with a 10-year validity during the period extending from July 1, 1987, to June 30, 1997, inclusive. It is the understanding of the United Kingdom Government that such Certificates of Identity may continue to be used after June 30, 1997, until their due expiry dates. It is further the understanding of the United Kingdom Government that any reference to "Hong Kong" in Certificates of identity issued by the Hong Kong Government before July 1, 1997, will, on and after July 1, 1997, be taken to mean the "Hong Kong Special Administrative Region [SAR]" of the People's Republic of China.

To ensure that a Certificate of Identity is acceptable for the purpose of international travel before and after 1997, the following endorsement will be added to Certificates of Identity whose holders have the right of abode in Hong Kong and hold permanent identity cards stating the right:

"The holder of this Certificate of Identity has Hong Kong permanent identity card number (xyz) which states that the holder has the right of abode in Hong Kong."

CHINA

The United Kingdom Government understands that the Government of the People's Republic of China shall authorise the Hong Kong Special Administrative Region Government to issue, on and after July 1, 1997, in accordance with the law, passports of the Hong Kong SAR of the People's Republic of China to all Chinese nationals who hold permanent identity cards of the Hong Kong SAR, and travel documents of the Hong Kong SAR of the People's Republic of China to all other persons lawfully residing in the Hong Kong SAR.

To enable Certificates of Identity issued between July 1, 1987, and June 30, 1997, inclusive to be suitable for use after June 30, 1997, the United Kingdom Government will modify the present Certificate of Identity by introducing the changes described in the annex.

The United Kingdom government understands that the Government of the People's Republic of China will, when necessary, state to the governments of third countries that holders of Certificates of Identity carrying the endorsement referred to in paragraph 3 above will be entitled to return to the Hong Kong SAR after June 30, 1997 and that any reference in such certificates to "Hong Kong" will be taken, on and after July 1, 1997, to mean the "Hong Kong SAR."

## Annex [subhead]

The present Hong Kong Certificate of Identity will be modified by:

- (1) Front cover: removing the crest at centre and leaving the space blank,
- (2) page one: removing the crest below the words "certificate of identity" and leaving the space blank,
- (3) page three: replacing "countries" by "parts of the world" in the first sentence and deleting the words "except China Macao",
- (4) page four and pages six to forty-four: replacing the overprinting of the crest by another security design,
- (5) page four: adding the following endorsement: "the holder of this certificate of identity has Hong Kong permanent identity card number (xyz) which states that the holder has the right of abode in Hong Kong",
- (6) inside back cover:
- (a) deleting note 3 which states that the holder is not entitled to British consular protection, and
- (b) deleting the words "or to the nearest British High Commission or Consulate" from the second sentence of Note 5 (to be renumbered as note 4) which refers to what the holder should do if he loses his certificate of identity (see note below), and
- (7) removing all other colonial insignia such as crests which appear on the Hong Kong immigration officers' stamps.

Note: Holder of Certificates of Identity do not require this instruction as they invariably know that they need to contact the Immigration Department in Hong Kong and it does not matter whether they contact the department through the British Consulate or, as is more usually the case, through their relatives in Hong Kong.

### Chinese Memo on Certificates

HK290600 Hong Kong SOUTH CHINA MORNING POST in English 29 Nov 86 p 2

["Text" of "translation" of Chinese memorandum on use of Hong Kong Certificates of Identity after 30 June 1997 exchanged in Beijing on 27 November at fifth meeting of Sino-British Joint Liaison Group]

[Text] The Ministry of Foreign Affairs of the People's Republic of China acknowledges receipt of the Memorandum dated November 27, 1986 of the Embassy of the United Kingdom of Great Britain and Northern Ireland in the People's Republic of China concerning Hong Kong Certificates of Identity and related matters and, with reference to the relevant discussions of the Sino-British Joint Liaison Group, has the honour to elaborate the position and understanding of the Government of the People's Republic of China on the relevant questions raised in the United Kingdom memorandum as follows:

In accordance with the relevant provisions in Section XIV of Annex 1 to the Joint Declaration of the Government of the People's Republic of China and the Government of the United Kingdom of Great Britain and Northern Ireland on the question of Hong Kong the Government of the People's Republic of China will allow Certificates of Identity (modified as described in the annex to the United Kingdom Memorandum and issued by the Hong Kong Government between July 1, 1987 and June 30, 1997 inclusive with the normal 10-year validity) to continue to be used after June 30, 1997 until their due expiry dates.

The Government of the People's Republic of China will agree that the Hong Kong Government may add an endorsement to Certificates of Identity issued between July 1, 1987 and June 30, 1997 inclusive to show the holder's right of abode in Hong Kong where the holder has that right.

In accordance with the foregoing, any reference to "Hong Kong" in Certificates of Identity issued between July 1, 1987 and June 30, 1997 inclusive will, on and after July 1, 1997, be taken to mean the "Hong Kong Special Administrative Region". For this, the Government of the People's Republic of China expresses its understanding.

The Central People's Government shall authorise the Hong Kong Special Administrative Region Government to issue, on and after July 1, 1997, in accordance with the law, passports of the Hong Kong special Administrative Region of the People's Republic of China to all Chinese nationals who hold permanent identity cards of the Hong Kong Special Administrative Region, and travel documents of the Hong Kong Special Administrative Region of the People's Republic of China to all other persons lawfully residing in the Hong Kong Special Administrative Region.

To facilitate travelling abroad by holders of certificates of identity, the Government of the People's Republic of China will, when necessary, state to the governments of third countries that holders of certificates of identity carrying the endorsement as set out in Paragraph 3 of the United Kingdom memorandum will be entitled to return to the Hong Kong Special Administrative Region after June 30, 1997, and that any reference then to "Hong Kong" will, on and after July 1, 1997 be taken to mean the "Hong Kong Special Administrative Region" of the People's Republic of China.

## HONG KONG GOVERNOR, TRADE DELEGATION ARRIVE

OW011124 Beijing XINHUA in English 1030 GMT 1 Dec 86

[Text] Beijing, December 1 (XINHUA) -- A 26-member economic and trade delegation from Hong Kong led by Lydia Dunn, chairman of the Hong Kong Trade Development Council, arrived here today at the invitation of the China Council for the Promotion of International Trade.

Sir Edward Youde, governor of Hong Kong, and Mrs. Youde also came with the delegation as special guests.

The delegation was greeted at the airport by Jia Shi, president of the China Council for the Promotion of International Trade, and Sir Richard Evans, British ambassador to China.

The delegation is here to attend the opening ceremony of an exhibition of Hong Kong products Wednesday and another ceremony marking the opening of a Beijing office of the Hong Kong Trade Development Council.

The delegation will also discuss with Chinese departments further economic cooperation and trade between mainland and Hong Kong during China's Seventh 5-Year Plan (1986-1990) for socio-economic development.

Jia Shi is scheduled to host a dinner for the Hong Kong delegation here this evening.

## Officials Attend Ceremony

OW011932 Beijing XINHUA in English 1603 GMT 1 Dec 86

[Text] Beijing, December 1 (XINHUA) -- The Diaoyutai Hotel Ltd. was set up here today to implement a contract signed in September between the Diaoyutai Economic Development Company and the Tian An (Beijing) Development Co. Ltd of Hong Kong.

According to the agreement, both sides will build a five-star hotel near the Diaoyutai state guest house complex, covering a floor space of 35,000 square meters. The total investment comes to 42 million U.S. dollars. The construction of the hotel is expected to be completed in 1989.

Tonight, Hua Renqin, chairman of the Diaoyutai Hotel Ltd., presided over a reception marking the founding of the company.

Among those present were Chinese State Councillors Ji Pengfei and Gu Mu as well as Hong Kong Governor Sir Edward Youde.

# Councillors, Governor Meet

OWO21551 Beijing XINHUA in English 1526 GMT 2 Dec 86

[Text] Beijing, December 2 (XINHUA) -- The Chinese mainland's exports to Hong Kong this year are expected to approach seven billion U.S. dollars, a big increase over last year.

This was noted by Ji Pengfei, state councillor and director of the Hong Kong and Macao Affairs Office under the State Council, here today at a meeting with a visiting Hong Kong economic and trade delegation.

Hong Kong Governor Sir Edward Youde, who came with the delegation as a special guest, also hoped that the bilateral trade next year would increase at this year's rate.

"We hope trade between the mainland and Hong Kong will expand year by year," Ji said.

Speaking at a banquet in honor of the delegation he hosted later, Ji said, since the signing of the Sino-British Joint Declaration on Hong Kong two years ago, Hong Kong's society has been stable, the market flourishing and the economy buoyant — "as good as we expected."

Hong Kong's foreign trade, an important component of the territory's economy, is expected to see a considerable increase this year despite difficulties caused by protectionism, he said, adding, "we sincerely hope that Hong Kong will maintain its stability and prosperity."

He also expressed the belief that the exhibition to be opened here tomorrow by Hong Kong's Trade Development Council would promote and extend economic and trade ties between the mainland's inland areas and Hong Kong.

Lydia Dunn, head of the delegation, said Hong Kong has run many promotions in the mainland and opened a Beijing office of the Trade Development Council this year. Soon, she said, the Shanghai office will begin to offer services.

Earlier today, Wang Bingqian, state councillor and minister of finance, met Lydia Dunn, Governor Youde and the delegation members.

## HU YAOBANG MEETS HONG KONG BUSINESSMAN

OWO21156 Beijing XINHUA in English 1147 GMT 2 Dec 86

[Text] Beijing, December 2 (XINHUA) -- Hu Yaobang, general secretary of the Chinese Communist Party Central Committee, met here today Yue-kong Pao, honorary chairman of the Hong Kong Worldwide Shipping Group. They discussed the economic development of Ningbo, Pao's hometown in East China's Zhejiang Province. Hu praised Pao for his donations to set up Ningbo University and his contributions in other parts of China.

Pao said he was pleased that Hu supported Ningbo's economic development.

Chinese State Councillor Gu Mu was present at the meeting.

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